ASSIGNMENT OF FINANCING STATEMENT

(EOG PRODUCTION COMPANY - Sublette)

This statement is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

1. The name and address of the Debtor is:

ENRON OIL & GAS COMPANY — Tax I.D. #47-0684736
P.O. Box 1188
Houston, Texas 77251-1188

2. The name and address of the Secured Party is:

CACTUS HYDROCARBON 1992-A LIMITED PARTNERSHIP — Tax I.D. #76-0379804
P. O. Box 1188
Houston, Texas 77251-1188

3. This Assignment of Financing Statement covers the original Financing Statement No. 238877 filed October 2, 1992 in Book 90 O&G, Page 322 of the County Clerk's office for Sublette County, Wyoming, as amended on November 15, 1993, File No. 244065, Book 95 O&G, Page 72 (the "Financing Statement").

4. All of Secured Party's rights under the Financing Statement have been assigned to the Assignee whose name and address are set forth in Item 5 below.

5. Assignee: CACTUS HYDROCARBON III LIMITED PARTNERSHIP, as Agent

Address: 1400 Smith Street, Suite 2907
Houston, Texas 77002
Attention: Andrew S. Fastow

Tax I.D.#: 76-0405626

EXECUTED this 28 day of July, 1994.

Seal

Attest

By: Elaine V. Overturf
Name: Elaine V. Overturf
Title: Deputy Corporate Secretary

SECURED PARTY:

CACTUS HYDROCARBON 1992-A
LIMITED PARTNERSHIP

By: Enron Big Piney Corp., its general partner

By: _____
Andrew S. Fastow,
Vice President

247701

RECORDED Aug. 5 1994 1:00 PM
IN BOOK 98 O&G PAGE 14
FEES 32.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sarton

NOTICE TO RECORDING AGENT:

PLEASE FILE THIS INSTRUMENT TOGETHER WITH OTHER INSTRUMENTS FURNISHED TO YOU HEREWITH IN THE FOLLOWING SEQUENCE:

INSTRUMENT 4 OF 4 INSTRUMENTS

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by Andrew S. Fastow, as the Vice President on behalf of Enron Big Piney Corp., acting as general partner of Cactus Hydrocarbon 1992-A Limited Partnership this 28 day of July, 1994.

Witness my hand and official seal.

L. Hagerty
Notary Public in and for
the State of Texas

L. HAGERTY
Notary Public, State of Texas
My Commission Expires
10/9/96

F:\rf0850\enr100\cactus3\eog\ucc-asg.b

RETURN TO:
VINSON & ELKINS L.L.P.
2300 FIRST CITY TOWER
1001 FANNIN
HOUSTON, TEXAS 77002-6760
ATTENTION: YVONNE A. ONAK

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50001-00	ENGER K CHRISMAN, ET AL T029N R113W SEC-0010	04/28/1960 E2SE4	BK	2	PG 623	WY	SUBLETTE
	T029N R113W SEC-0011	W/2SW					
50003-00	ENGER K CHRISMAN, ET AL T029N R112W SEC-0018	07/01/1964 LOTS 1, 2, E2NW	BK	10	PG 388	WY	SUBLETTE
	T029N R113W SEC-0011	E2SW, SE					
	T029N R113W SEC-0012	S2SE, NWSW, S2SW					
	T029N R113W SEC-0013	SESW, SENE, SE, NWNW, NWNE, NENE, NENW					
	T029N R113W SEC-0014	N2NE, NENW					
	T029N R113W SEC-0024	N2NE					
50005-01	CHAS. P BUDD	11/24/1942	BK	1	PG 371	WY	SUBLETTE
	T029N R113W SEC-0010	N2NE, SWNE					
50005-02	THE FRANCES MARGARET GUIO JUNE 16, 1982 FAMILY TRUST T029N R113W SEC-0010	12/16/1987 N2N2, SENW, SWNE, AS TO ALL DEPTHS BELOW 2,500 FT.	BK	61	PG 327	WY	SUBLETTE
50008-01	PATRICK J QUEALY, ADMIN. T027N R113W SEC-0008	08/15/1957 SWNE, S2NW	BK	16	PG 138	WY	SUBLETTE
50008-02	JOSEPH A MINTON ET UX T027N R113W SEC-0008	08/15/1957 SWNE, S2NW	BK	16	PG 140	WY	SUBLETTE
50011-00	USA EV 021883 T028N R113W SEC-0014	08/01/1944 NWNW	BK	31	PG 209	WY	SUBLETTE
50013-01	SELMER G LARSON T027N R113W SEC-0028	08/11/1957 NWSE, N2SW, SWSW	BK	17	PG 2	WY	SUBLETTE
50013-02	JOSEPH A MINTON ET UX T027N R113W SEC-0028	08/15/1957 NWSE, N2SW, SWSW	BK	16	PG 144	WY	SUBLETTE
50018-00	WILLIAM J. MCGINNIS, ET UX T028N R113W SEC-0003	10/05/1946 N2SE (PART OF TR 46)	BK	2	PG 109	WY	SUBLETTE
	T028N R113W SEC-0004	N2SW (PART OF TR 46), S2NE, S2NW (AKA TR 47)					
50019-00	USA EV-021741	09/01/1946	BK	88	PG 783	WY	SUBLETTE

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
	T026N R113W SEC-0004	LOTS 1(39.30), 2(38.74), 3(38.18), 4(37.62), 5(40), 6(40), 7(40), 8(40), 9(40), 10(40), 11(40), 12(40), SE, NWSW					
	T027N R113W SEC-0028	SESW, SWSE					
	T027N R113W SEC-0029	SENE					
	T027N R113W SEC-0032	W2SE, N2NE, SWNE					
	T027N R113W SEC-0033	NWNE, S2NE, SE, NW					
50020-00	USA EV-021743 T027N R113W SEC-0033	03/01/1947 N2SW	BK 98	PG 313		WY	SUBLETTE
50022-01	MATILDA BERTAGNOLLI, ET VIR T027N R114W SEC-0001	10/28/1956 LOTS 1, 2, 3, 4, S2N2	BK 16	PG 150		WY	SUBLETTE
50022-02	THOMAS S HARROWER, ET UX T027N R114W SEC-0001	06/06/1957 LOTS 1, 2, 3, 4, S2N2	BK 18	PG 2		WY	SUBLETTE
50027-00	USA W-04228 T030N R113W SEC-0028	01/01/1951 SWNW, N2SW, E2NW, S2SW	BK 89	PG 154		WY	SUBLETTE
50028-00	USA W-0136178 T030N R113W SEC-0021	05/01/1951 S2	BK 84	PG 621		WY	SUBLETTE
50047-00	USA EV-023313-A T026N R112W SEC-0012	02/01/1948 W2E2, LOTS 3, 4	BK 314	PG 227		WY	LINCOLN
	T026N R112W SEC-0013	NW, SW					
50048-00	USA EV-023313-B T026N R112W SEC-0012	02/01/1948 W2	BK 288	PG 640		WY	LINCOLN
	T026N R112W SEC-0013	LOT 3, W2NE, LOT 4, W2SE					
50049-00	ST WY 0-2285 T026N R112W SEC-0016	03/02/1944 NENE	BK 314	PG 49		WY	LINCOLN
50060-00	USA EV-025550 T027N R112W SEC-0027	01/01/1948 W2	BK 89	PG 96		WY	SUBLETTE
50061-00	USA EV-022929 T027N R112W SEC-0034	09/01/1947 NENE, NWNE, SE, S2NE, W2	BK 15	PG 208		WY	SUBLETTE
	T027N R112W SEC-0035	NE, N2NW, S2, S2NW					

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
50052-00	USA EV-026056 T026N R112W SEC-0011	12/01/1949	BK 9 PG 128 NE, NENW, N2SW, SE, SESW, SWSW, S2NW	WY	LINCOLN
	T026N R112W SEC-0014		E2, E2NW, SW, W2NW		
50053-00	USA EV-022930-A T026N R112W SEC-0010	09/01/1947	BK 8 PG 484 SENE, SENW, SWNE, N2NE, N2NW, SWNW, SW4, N2SE, S2SE	WY	LINCOLN
	T026N R112W SEC-0015		NWNW, NENW, SENW, SWNW, SW, N2NE, S2NE, SE		
50054-00	USA EV-022932 T026N R112W SEC-0002	09/01/1947	BK 9 PG 66 NESE, NWSE, SENE, SW, SWNE, S2NW, S2SE, Lots 1, 2, 3, 4	WY	SUBLETTE
	T026N R112W SEC-0003		S2, S2N2, Lots 1, 2, 3, 4		
	T026N R112W SEC-0004		SE		
	T026N R112W SEC-0009		N2, N2SE, SESE, SW, SWSE		
	T026N R112W SEC-0011		NWNW		
50068-00	USA W-92217 T026N R112W SEC-0017	12/01/1948	BK 86 PG 500 N2NW, SESW	WY	SUBLETTE
	T026N R112W SEC-0018		NE, LOTS 1, 2, 3, E2NW, NESW		
	T026N R112W SEC-0019		SWNE, E2SW, W2SE, E2NE, E2SE		
	T026N R112W SEC-0020		W2SW, NW, E2SW		
50094-00	USA EV-022261 T026N R113W SEC-0019	09/01/1948	BK 90 PG 107 SE, SWNE, SENE, LOT 5, NWNE	WY	SUBLETTE
	T026N R113W SEC-0031		E2NE		
	T026N R113W SEC-0032		LOT 1, N2NW, SWNW		
50101-00	USA EV-025991 T026N R113W SEC-0034	04/01/1952	BK 89 PG 82 ALL	WY	SUBLETTE
50113-00	MYRON EDGAR MILLS, ET UX T026N R113W SEC-0022	05/20/1953	BK 6 PG 107 SESE	WY	SUBLETTE
	T026N R113W SEC-0023		E/2SW, SWSW, SAID LANDS BEING NOW RESURVEYED INTO AND AS TRACT 44		
50131-00	USA W-48904 T027N R113W SEC-0006	01/01/1940	BK 88 PG 78 LOT 1 (NENE - 39.78 AC), SENE	WY	SUBLETTE
	T026N R113W SEC-0032		W2NE		

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
	T028N R113W SEC-0032	LOT 6 (SESE - 47.60 AC), E2NE, NESE					
	T028N R113W SEC-0033	SWNW					
50133-00	USA EV-010270-B T027N R113W SEC-0021	10/16/1939 N2N2	BK	88	PG 112	WY	SUBLETTE
50134-00	USA W-0256493 T028N R113W SEC-0033	06/01/1947 LOTS 3, 4, NE, N2SE	BK	88	PG 788	WY	SUBLETTE
	T028N R113W SEC-0034	LOT 1, W2NW, NWSW					
50135-00	USA W-0256494 T027N R113W SEC-0009	03/01/1960 W2NE	BK	88	PG 132	WY	SUBLETTE
50136-00	USA EV-026191 T027N R113W SEC-0004	03/01/1960 SESW, SWSE	BK	88	PG 132	WY	SUBLETTE
50137-00	USA W-048780 T027N R113W SEC-0004	07/01/1947 LOTS 2, 3, SWNE	BK	88	PG 88	WY	SUBLETTE
50138-00	USA EV-022208 T028N R113W SEC-0033	06/01/1947 LOTS 1, 2, N2SW	BK	88	PG 788	WY	SUBLETTE
50139-00	USA W-9663 T027N R113W SEC-0004	03/01/1960 LOT 4, S2NW, N2SW, NWSE	BK	88	PG 132	WY	SUBLETTE
50140-00	ST WY 0-847 T027N R113W SEC-0016	06/16/1936 ALL	BK		PG	WY	SUBLETTE
50141-00	USA EV-09661-A T027N R113W SEC-0017	06/20/1932 NE, E2NW, SE, NESW	BK	88	PG 85	WY	SUBLETTE
	T027N R113W SEC-0020	NENE, NWNE, S2NE					
50142-00	USA EV-021878 T027N R113W SEC-0004	01/01/1940 SWSW	BK	2	PG 173	WY	SUBLETTE
	T027N R113W SEC-0008	NW, E2SW, W2SE					
50143-00	USA EV-07555 T027N R113W SEC-0008	01/01/1940 W2SW	BK	88	PG 70	WY	SUBLETTE
50144-00	USA EV-07671-A T027N R113W SEC-0008	12/29/1939 SE	BK	88	PG 125	WY	SUBLETTE

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
50145-00	USA EV-07671-B T027N R113W SEC-0008	12/29/1939 BK 89 PG 125 N2, N2SW, S2SW		WY	SUBLETTE
50147-00	USA W-48907 T027N R113W SEC-0006	01/01/1940 BK 89 PG 76 N2SE, SWNE, LOTS 2, 3, 4, S2NW, N2SW, S2S2		WY	SUBLETTE
	T028N R113W SEC-0033	SENW			
50149-00	USA W-0125385 T028N R112W SEC-0019	12/01/1948 BK 85 PG 500 LOTS 3, 4		WY	SUBLETTE
50150-00	USA W-0125387 T028N R112W SEC-0030	01/01/1950 BK 85 PG 605 LOT 1		WY	SUBLETTE
50151-00	USA W-0125388 T028N R113W SEC-0023	06/01/1949 BK 85 PG 621 NENW, NWNE, LOTS 1, 2, 3, NENE		WY	SUBLETTE
	T028N R113W SEC-0024	LOT 3 (48 AC), LOT 4 (48.77 AC)			
50152-00	USA EV-022758 T028N R113W SEC-0014	06/01/1948 BK 89 PG 17 S2NW, SW, N2NW		WY	SUBLETTE
50153-00	USA EV-023654 T028N R113W SEC-0026	01/01/1948 BK 89 PG 19 SESW, S2SE, LOT 1, SENW, NESW, N2SE, NE		WY	SUBLETTE
50154-00	USA EV-024756 T028N R113W SEC-0023	06/01/1948 BK 87 PG 70 LOTS 5, 6, 7		WY	SUBLETTE
	T028N R113W SEC-0024	LOTS 5, 6, 7, 8, TRACT 48 A&B			
	T028N R113W SEC-0026	LOTS 1, 2, 3, 4, W2E2, E2W2, SWSW, W2NW, NWSW			
50155-00	USA EV-024792 T028N R113W SEC-0034	07/01/1948 BK 86 PG 614 LOT 2		WY	SUBLETTE
50156-00	USA W-02986 T028N R113W SEC-0035	06/01/1948 BK 89 PG 3 LTS 1, 2, 3, 4, 5, 6, 7, W2NE, N2NW, SWNW, N2SW, NWSE		WY	SUBLETTE
50157-00	USA W-02986-A T028N R113W SEC-0035	06/01/1948 BK 89 PG 3 SENW		WY	SUBLETTE
50158-00	USA W-046892 T028N R113W SEC-0034	02/01/1957 BK 95 PG 882 E2NE, SWNE, N2SE, LOTS 3 & 4		WY	SUBLETTE
50159-00	USA W-05283 T028N R113W SEC-0004	02/01/1951 BK 31 PG 229 LOTS 5, 6, S2NE, N2SE, SESE, SWSE		WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50160-00	USA W-08058 T028N R113W SEC-0034	09/01/1961 E2NW, NESW, NWNE	BK 32	PG 63		WY	SUBLETTE
50161-00	USA W-10675 T029N R113W SEC-0036	09/01/1960 W2SW, SESW, NESW	BK 31	PG 274		WY	SUBLETTE
50162-00	USA W-10677 T029N R113W SEC-0026	05/01/1960 SW, SWNW	BK 31	PG 286		WY	SUBLETTE
	T029N R113W SEC-0027	NESE, SENW, SESE, S2NE					
50163-00	USA W-10679 T028N R113W SEC-0003	08/01/1961 S2/SW	BK 30	PG 567		WY	SUBLETTE
50164-00	STATE OF WYOMING 0-11142 T028N R113W SEC-0036	05/16/1961 E2SW, SE, N2 (PART OF RESURVEY TRACT 54)	BK 19	PG 243		WY	SUBLETTE
50165-00	ST WY 0-20810 T028N R113W SEC-0036	06/16/1986 W2SW	BK 65	PG 699		WY	SUBLETTE
50166-00	USA W 08061 T028N R113W SEC-0016	07/01/1961 SENE, N2NE	BK 30	PG 40		WY	SUBLETTE
50167-00	USA W-014074 T029N R113W SEC-0036	06/01/1962 N2NW, SENW, SWNW	BK 30	PG 96		WY	SUBLETTE
50168-00	USA W-0125384 T028N R113W SEC-0011	05/01/1948 E2	BK 31	PG 242		WY	SUBLETTE
	T028N R113W SEC-0013	SW					
	T028N R113W SEC-0014	SWNE, W2SE, N2NE, SENE, E2SE					
50170-00	USA W-10681 T029N R113W SEC-0022	02/01/1960 E2NE, NESE, NWSE, S2SE, W2NE	BK 31	PG 206		WY	SUBLETTE
	T029N R113W SEC-0026	NWNW					
	T029N R113W SEC-0027	N2NE					
50171-00	USA W-10682 T029N R113W SEC-0022	02/01/1960 NW, N2SW, S2SW	BK 31	PG 206		WY	SUBLETTE
	T029N R113W SEC-0024	E2SE, NENW, NWNW, NWSE, SENW, SW, SWNW, SWSE, S2NE					
	T029N R113W SEC-0026	NENW					
	T029N R113W SEC-0027	NENW					

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
J0172-00	CHARLES P NOBLE ET UX T029N R113W SEC-0011	02/03/1964 E2NW, NE	BK 7	PG 360		WY	SUBLETTE
	T029N R113W SEC-0012	W2NW					
50173-00	USA EV-024549-A T026N R112W SEC-0006	07/01/1961 THAT PORTION OF THE GREEN RIVER RIPARIAN TO LOTS 4, 5, 6, 7, 10, 11 AND 13	BK 22	PG 137		WY	LINCOLN
	T026N R112W SEC-0008	THAT PORTION OF THE GREEN RIVER RIPARIAN TO LOTS 1, 2, 4, 5, 6, 7 AND 11					
50174-00	USA W-20951 T026N R112W SEC-0004	09/01/1947 LOTS 1, 2, 3, 4, S2N2, SW4	BK 9 PR	PG 66		WY	LINCOLN
50175-00	USA EV-022929-A T027N R112W SEC-0033	09/01/1962 NW4	BK 15	PG 206		WY	SUBLETTE
50176-00	USA EV-022931 T026N R112W SEC-0006	11/01/1947 LOTS 4 (17.01), 7 (7.80), 10 (25.29), 11 (42.73), 13 (23.89) AND SW8E	BK 24PR	PG 253		WY	LINCOLN
	T026N R112W SEC-0008	LOT 1 (12.16), 2 (19.72), 4 (32.87), 5 (20.41), 8 (18.10), AND W2NE LOT 7 (43.63), 11 (30.54)					
	T027N R112W SEC-0029	LOTS 2 (35.78), 3 (16.16), 4 (45.23), 5 (8.90), 8 (8.23) 9 (37.83), 10 (1.87), 11 (22.06), 12 (23.76)	BK 15	PG 193		WY	SUBLETTE
50177-00	USA EV-022931-A T026N R112W SEC-0006	11/01/1947 LOT 1 (36.87), SENE, E2SE	BK 24PR	PG 253		WY	LINCOLN
	T026N R112W SEC-0008	E2NE, E2SE					
	T027N R112W SEC-0029	ALL	BK 15	PG 193		WY	SUBLETTE
	T027N R112W SEC-0029	E2SE					
	T027N R112W SEC-0032	SENE, E2SE, NENE					
50178-00	USA EV-022935 T026N R112W SEC-0006	10/01/1947 LOTS 5 AND 8	BK 43	PG 242		WY	LINCOLN
50179-00	USA EV-023228 T027N R112W SEC-0021	07/01/1947 SE4SW4	BK 89	PG 52		WY	SUBLETTE
50180-00	USA EV-023229-A T027N R112W SEC-0021	07/01/1947 LOTS 9, 10, 11, SWSW	BK 89	PG 52		WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50181-00	USA W-20950 T027N R112W SEC-0033	09/01/1947 S2, NE4	BK 15	PG 208		WY	SUBLETTE
50182-00	USA W-039183 T027N R112W SEC-0029	03/01/1968 THAT PORTION OF THE GREEN RIVER THAT IS RIPARIAN TO LOTS 2, 3, 4, 5, 8, 9, 10, 11, 12	BK 18	PG 217		WY	SUBLETTE
50183-01	KENNETH BARTLETT, GUARDIAN T027N R112W SEC-0029	10/29/1958 S2NE, LOT 1 & LOT 6	BK 22	PG 348		WY	SUBLETTE
50183-02	ATHOL L STOTTS, ET UX T027N R112W SEC-0029	01/23/1958 S2NE, LOT 1 & LOT 6	BK 15	PG 79		WY	SUBLETTE
50183-03	MARY MAXINE DELANEY, ET AL T027N R112W SEC-0029	01/23/1958 S2NE, LOT 1 & LOT 6	BK 15	PG 231		WY	SUBLETTE
50183-04	FLORENCE VICKREY, ET AL T027N R112W SEC-0029	01/23/1958 S2NE, LOT 1 & LOT 6	BK 15	PG 295		WY	SUBLETTE
50184-01	SELMER G LARSON, RECEIVER T026N R112W SEC-0005	06/21/1968 LOTS 8(16.37), 9(28.05), 10(41.40), SWSW	BK 18	PG 216		WY	LINCOLN
50184-02	WILLIAM J MCGINNIS T026N R112W SEC-0005	06/21/1968 LOTS 8, 9, 10, SW4SW4, BED OF GREEN RIVER RIPARIAN TO LOTS 8, 9, & 10	BK 18	PG 214		WY	LINCOLN
50186-00	BENEFICIAL OIL CO. T027N R112W SEC-0017 T027N R112W SEC-0020 T027N R112W SEC-0021	09/16/1969 N2NE, SENE, NENW LOTS 1, 2 & 5, NENE, NWSE LOTS 2 (16.83), 3 (38.26), 4 (11.04), 5 (16.73), 6 (20.24), NWNW	BK 24	PG 537		WY	SUBLETTE
50186-00	M F WHELAN LIVESTOCK COMPANY T027N R112W SEC-0029 T027N R112W SEC-0032	01/25/1954 INSOFAR AS LSE COVERS: LOT 7(NW/4SE/4) INSOFAR AS LSE COVERS: NWNE, INCLUDING RIPARIAN RIGHTS IN THE GREEN RIVER	BK 9	PG 63		WY	SUBLETTE
50187-00	USA W-06206 T030N R113W SEC-0009 T030N R113W SEC-0015	05/01/1951 E2 N2NW, NWNE, S2N2, NENE, N2S2, SESW, S2SE	BK 84	PG 621		WY	SUBLETTE
50196-00	USA WY-10678	10/01/1950	BK 31	PG 213		WY	SUBLETTE

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
	T029N R113W SEC-0025	S/2NE, N/2SE, SESE				
50213-00	USA W-23002 T030N R113W SEC-0008	03/01/1970 BK 58 SESW, NESW, SWSW		PG 661	WY	SUBLETTE
	T030N R113W SEC-0017	NW, SW				
50269-00	USA W-0322521 T026N R113W SEC-0009	03/01/1966 BK 284 SESW		PG 636	WY	LINCOLN
50270-00	ST WY 63-11625 T026N R113W SEC-0016	08/02/1963 BK 204 ALL		PG 257	WY	LINCOLN
50272-00	USA W-09156B T026N R113W SEC-0008	06/01/1948 BK 17 NE, N2SE, SESE, E2NW		PG 283	WY	LINCOLN
	T026N R113W SEC-0009	W2W2, E2NW, NESW				
50274-00	USA W-020123-A T027N R112W SEC-0004	04/01/1953 BK 21 SWSW		PG 508	WY	SUBLETTE
	T027N R112W SEC-0005	SESE, LOT 4, S2NW, SW, N2SE, W2SE				
	T027N R112W SEC-0008	E2SE, W2NE, W2SE				
	T027N R112W SEC-0009	SWSW				
	T027N R112W SEC-0017	SE, SWNE				
	T027N R112W SEC-0020	W2NE				
50275-00	USA W-025407-A T027N R112W SEC-0031	05/01/1964 BK 34 LOTS 1, 2, 5, 6, 7, 8, 11, 12, E2NWNE, W2NWNE		PG 636	WY	SUBLETTE
50276-00	USA W-020123 T027N R112W SEC-0005	04/01/1953 BK 21 ALL		PG 509	WY	SUBLETTE
	T027N R112W SEC-0008	W2				
	T027N R112W SEC-0017	W2NW, SENW, SW				
	T027N R112W SEC-0020	LOT 6, NW, N2SW, SWSW				
50277-00	USA EV-023313 T026N R112W SEC-0005	02/01/1948 BK 286 SWNE		PG 640	WY	LINCOLN
50278-00	USA EV-023313-C T026N R112W SEC-0005	02/01/1948 BK 286 SENW		PG 640	WY	LINCOLN

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50279-00	USA W-024793 T026N R113W SEC-0014	02/01/1964 SENW, SW	BK 30	PG 138		WY	LINCOLN
	T026N R113W SEC-0022	NENE, SENE, SENW, SWNE					
	T026N R113W SEC-0023	N2NW, LOTS 1, 2, 3, 4					
	T026N R113W SEC-0026	LOTS 1, 2, 3, 4					
50280-00	USA W 025407 T027N R112W SEC-0030	05/01/1954 LOTS 3, 4, 7, 8, NENE, W2NE, NWSE, N2SWSE, SESWSE, SWSWSE	BK 150	PG 334		WY	SUBLETTE
50281-00	USA W-025410 T027N R112W SEC-0030	05/01/1954 LOTS 1,2,5,6, E2W2	BK 22	PG 22		WY	SUBLETTE
	T027N R112W SEC-0002	LOT 1	BK 30	PG 460		WY	LINCOLN
50282-00	USA W-025410-A T027N R112W SEC-0031	05/01/1954 LOTS 3, 4, 9, NWNENW, W2SE, S2SWNE, NESWNE LOT 10, E2NENW, SWNENW, SENW, NWSWNE, E2SW	BK 22	PG 22		WY	SUBLETTE
50283-00	USA EV-025440 T027N R112W SEC-0007	03/01/1960 NE, W2SE, E2SE,	BK 22	PG 32		WY	SUBLETTE
	T027N R112W SEC-0018	S2NE, SE, N2NE					
50284-00	USA EV-025440-A T027N R112W SEC-0018	03/01/1968 E2	BK 22	PG 32		WY	SUBLETTE
50285-00	USA W-033661 T026N R113W SEC-0010	07/01/1966 S2NE	BK 286	PG 257		WY	SUBLETTE
	T026N R113W SEC-0018	S2N2					
50286-00	USA W-038084 T027N R113W SEC-0027	04/01/1956 NWNE	BK 21	PG 282		WY	SUBLETTE
50287-00	USA W-038682 T026N R113W SEC-0002	09/01/1956 LOTS 2, 3, 5, 6, 12	BK 286	PG 52		WY	LINCOLN
	T027N R113W SEC-0036	W2	BK 70	PG 161		WY	SUBLETTE
50288-00	USA W-038682-A T026N R113W SEC-0014	09/01/1956 LOTS 3, 4	BK 88	PG 52		WY	LINCOLN

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50290-00	USA W-047412 T027N R112W SEC-0008	09/01/1958 LOT 1	BK	88	PG 123	WY	SUBLETTE
50291-00	USA W-049959 T026N R112W SEC-0006	06/01/1957 THAT PORTION OF THE BED OF GREEN RIVER RIPARIAN TO LOT 7	BK	23	PG 512	WY	LINCOLN
50292-00	USA W-050961 T026N R112W SEC-0006	06/01/1957 LANDS COVERING ALL OF THE BED OF THE GREEN RIVER LYING IN LOT 6 BETWEEN THE MEAN HIGH WATER MARKS THEREOF, EXCEPTING THAT PORTION OF THE SAID RIVER BED WHICH LIES RIPARIAN TO LOT 7 OF SEC 6. SAID LANDS BEING ONLY THAT PORTION OF THE BED OF THE GREEN RIVER APPURTENANT TO LOT 6	BK	24	PG 336	WY	LINCOLN
50293-00	USA W-052064 T026N R112W SEC-0007 T026N R112W SEC-0018	02/01/1948 LOT 5 LOT 1, 2, 3	BK	248	PG 232	WY	LINCOLN
50294-00	USA W-052065 T026N R112W SEC-0006	02/01/1948 LOTS 1, 2, 3, 4, 5, 6, 7, 8	BK	248	PG 232	WY	LINCOLN
50295-00	USA W-05751 T027N R112W SEC-0007 T027N R112W SEC-0018	06/01/1951 LOTS 1,2,3,4, E2W2 LOTS 1,2, E2NW, LOTS 3,4, E2SW	BK	22	PG 39	WY	SUBLETTE
50296-00	USA W-05751-A T027N R112W SEC-0019	06/01/1951 LOTS 1,2,3,4, E2W2	BK	22	PG 39	WY	SUBLETTE
50297-00	USA W-066564 T027N R112W SEC-0030	03/01/1956 THAT PORTION OF THE BED OF THE GREEN RIVER THAT IS RIPARIAN TO LOTS 3,4, 7,8.	BK	18	PG 217	WY	SUBLETTE
50298-00	USA W-066564-A T027N R112W SEC-0031	03/01/1956 THAT PORTION OF THE BED OF THE GREEN RIVER THAT IS RIPARIAN TO LOTS 1, 2, 5, 6, 7, 8, 11, 12	BK	18	PG 217	WY	SUBLETTE
50299-00	USA W-066565 T027N R112W SEC-0008 T027N R112W SEC-0020	07/01/1947 LOTS 2 (6.59), 3 (10.11) LOTS 3 (4.94), 4 (20.40)	BK	86	PG 49	WY	SUBLETTE
50300-00	USA W-066369 T026N R113W SEC-0015	07/01/1958 S/2	BK	305	PG 28	WY	LINCOLN
50301-00	USA W-066370	10/01/1958	BK	305	PG 30	WY	LINCOLN

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T026N R113W SEC-0022	N2NW, NWNE, SWNW, NWSW			
50302-00	USA EV-07796-E T026N R113W SEC-0002	09/01/1964 BK 30 PG 22 LOT 4 (41.5)		WY	LINCOLN
	T026N R113W SEC-0010	SE			
	T026N R113W SEC-0011	N2NW, SENW, SW, W2NE, W2SE, LOTS 1, 2, 3, 4			
	T026N R113W SEC-0014	N2NW, SWNW, W2NE, W2SE, LOTS 1, 2			
	T026N R113W SEC-0016	N2N2			
50303-00	USA EV-06061-B T027N R113W SEC-0027	04/01/1958 BK 86 PG 278 E2NE, E2SWNE		WY	SUBLETTE
50304-00	ST WY 0-11135 T026N R113W SEC-0013	05/16/1961 BK 22 PG 430 ALL (RES PT LOT 37)		WY	LINCOLN
50306-00	ST WY 0-11137 T026N R113W SEC-0024	05/16/1961 BK 22 PG 433 S2N2 (RES LOT 38)		WY	LINCOLN
50308-00	ST WY 0-11141 T027N R113W SEC-0036	05/16/1961 BK 21 PG 272 ALL		WY	SUBLETTE
50307-00	ANDERSON L MCGINNIS, ET UX T027N R112W SEC-0003	12/29/1956 BK 16 PG 336 PARTS OF LOTS 3 & 4 DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE OF SAID LOT 3, 325' SOUTH OF THE NE CORNER OF SAID LOT 3 UNDER WHAT IS KNOWN AS THE OLD PARTITION FENCE, THENCE ALONG SAID FENCE 90 DEGREES WEST TO THE WEST BOUNDARY OF SAID LOT 4, THENCE SOUTH TO THE SW CORNER OF SAID LOT 4, THENCE EAST TO THE SE CORNER OF SAID LOT 3, THENCE NORTH TO THE PLACE OF BEGINNING. THAT PART OF LOT 5 DESCRIBED AS FOLLOWS: COMMENCING AT A POINT 1635' SOUTH OF THE QUARTER SECTION CORNER ON THE NORTH LINE OF SAID SECTION AND RUNNING THENCE EAST ALONG THE MCGINNIS MICKELSON PARTITION FENCE TO THE GREEN RIVER, THENCE IN A SOUTHEASTERNLY DIRECTION ALONG GREEN RIVER TO THE EAST AND WEST QUARTER SECTION LINE IN SAID SECTION 3, THENCE WESTERLY ALONG SAID EAST AND WEST QUARTER SECTION LINE TO THE CENTER OF SAID SECTION 3, THENCE NORTH TO THE PLACE OF BEGINNING.		WY	SUBLETTE
	T027N R112W SEC-0004	E2SW, NWSW, SWSW, S2NW, LOTS 8, 9			
	T027N R112W SEC-0004	SE, SESW, S2NE, LOT 1			
	T027N R112W SEC-0008	E2NE			
	T027N R112W SEC-0009	NW, N2NE, N2SW, SESW, SWNE, W2SE, LOTS 1, 4, 5			

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T027N R112W SEC-0010	LOTS 2, 3, 7			
50308-00	ST WY 0-11134 T026N R113W SEC-0012	05/16/1961 BK 22 PG 439 ALL		WY	LINCOLN
50308-01	SELMER G LARSON T026N R112W SEC-0007	01/08/1957 BK 20 PG 434 SWSE, SESW, E2SE4		WY	LINCOLN
	T026N R112W SEC-0017	LOTS 2, 3, 4, W2, SE			
	T026N R112W SEC-0018	LOT 4, E2W2, E2			
	T026N R112W SEC-0019	LOTS 1, 2, 3, E2NW, NESW, NE4, N2SE4			
	T026N R112W SEC-0020	N2, N2S2			
	T026N R112W SEC-0021	W2NW, NWSW,			
50309-02	NEWT SIMS T026N R112W SEC-0017	12/15/1966 BK 20 PG 234 S2S2		WY	LINCOLN
	T026N R112W SEC-0018	PART SESE E OF HWY 189			
	T026N R112W SEC-0019	PART E2NE, NESE E HWY 189			
	T026N R112W SEC-0020	N2, N2S2			
	T026N R112W SEC-0021	W2NW, NWSW, LOTS 2, 3, 6			
50309-03	WILLIAM J MCGINNIS ET UX T026N R112W SEC-0007	11/13/1968 BK 19 PG 394 SWSE, SESW, E2SE4		WY	LINCOLN
	T026N R112W SEC-0017	LOTS 2, 3, 4, N2SE, NW, N2SW			
	T026N R112W SEC-0018	W2NE, E2NW, NESW, SESW, LOT 4, SWSE, NE4, N2SE			
	T026N R112W SEC-0019	LOTS 1, 2, 3, E2NW, W2NE, NESW, NWSE, ALSO, ALL THAT PART OF THE SE4SE4 SEC. 18; E2NE4, NE4SE4, SEC. 19 LYING WEST OF STATE HWY 287, CENTER LOCATION OF SAID HWY BEING LOCATED IN SAID SE4SE4, SECTION 18 AND E2NE4, NE4SE4, SEC. 19 AS FOLLOWS: 968 FEET WEST OF NE CORNER OF SE4SE4, SEC. 18; 701 FEET WEST OF NE CORNER, SEC. 19; 554 FEET WEST OF EAST SECTION LINE ALONG THE HALF SECTION LINE OF SEC. 19; AND 177 FEET WEST OF SE CORNER OF SEC. 19, CONTAINING 1,375.10 ACRES, MORE OR LESS			
50310-00	ST WY 0-11216B T027N R112W SEC-0016	05/16/1961 BK 3 PG 468 W2		WY	SUBLETTE
50311-00	USA W-048781 T027N R113W SEC-0035	06/01/1956 BK 24 PG 388 E/2		WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
50312-00	ST WY 0-11136 T026N R113W SEC-0024	05/16/1961 BK 22 N2N2 (RES LOT 38) NWSW (RES LOT 40)	PG 436		WY	LINCOLN
50318-00	GEORGE E YEAMAN ET UX T026N R112W SEC-0007 T026N R112W SEC-0008	11/29/1956 BK 20 W2NE, NENE, LOT 3 LOT 3, EXCEPT HWY TRACT	PG 248		WY	LINCOLN
50319-00	WINSTON H ALLEMAN ET UX T026N R112W SEC-0005 T026N R112W SEC-0006	02/26/1959 BK 32 LOT 12 THE FOLLOWING PARCELS SHOWN AND DESCRIBED ON LINCOLN COUNTY METES AND BOUNDS PLAT NO. 1 FOR SW4SE4 AND NW4SE4 SECTION 6-26-112 LINCOLN COUNTY LOT 2: ALL LINCOLN COUNTY LOT 3: ALL LINCOLN COUNTY LOT 8: ALL EXCEPT FOR THE FOLLOWING DESCRIBED PARCELS: BEGINNING AT THE SOUTH WEST CORNER OF THE SOUTH WEST QUARTER OF THE SOUTH EAST QUARTER (SW4SE4) OF SECTION SIX THENCE EAST ON THE SECTION LINE BETWEEN SAID SECTIONS SIX (6) AND SEVEN (7), TOWNSHIP TWENTY-SIX NORTH, RANGE ONE HUNDRED TWELVE WEST OF THE 6TH P.M. IN WYOMING, A DISTANCE OF 1043.36 FEET; THENCE NORTH A DISTANCE OF 836 FEET; THENCE WEST A DISTANCE OF 1043.36 FEET; THENCE SOUTH ON THE MID-SECTION LINE OF SAID SECTION SIX A DISTANCE OF 836 FEET TO THE POINT OF BEGINNING. TWO AND NINETY SEVEN HUNDREDTHS ACRES MORE OR LESS, STARTING FROM A POINT 1043.36 FEET EAST AND 836 FEET NORTH OF THE SOUTH WEST CORNER OF LINCOLN COUNTY, LOT NUMBER 8 AS SHOWN UPON LINCOLN COUNTY METES AND BOUNDS MAP NUMBER ONE, SECTION 6, TOWNSHIP 26 NORTH, RANGE 112 WEST; THENCE IN A NORTHERLY DIRECTION PARALLEL TO THE WEST BOUNDARY OF LINCOLN COUNTY LOT NUMBER 8 TO THE NORTH BOUNDARY OF SAID LOT 8; THENCE WEST ALONG THE NORTH BOUNDARY LINE OF SAID LOT NUMBER 8 TO THE CORNER THAT IS 596.31 FEET FROM ITS WESTERN BOUNDARY, THENCE IN A SOUTHERLY DIRECTION PARALLEL TO THE WESTERN BOUNDARY OF LINCOLN COUNTY LOT NUMBER 8 FOR A DISTANCE OF 271.36 FEET; THENCE IN AN EASTERLY DIRECTION TO THE POINT OF BEGINNING. LINCOLN COUNTY LOT 21: ALL LA BARGE TOWN LOTS 5-12, INCLUSIVE IN BLOCK 1 51% OF LOTS 1 & 2, AND ALL OF LOTS 5-20, INCLUSIVE IN BLOCKS 3 OF THE SECOND ADDITION AND LOT 23, BLOCK 1 OF THE ORIGINAL TOWNSITE. THE FOLLOWING PARCELS SHOWN AND DESCRIBED ON LINCOLN COUNTY METES AND BOUNDS PLAT NO. 2, FOR LOTS 8 & 11, SECTION 6-26-112 LINCOLN COUNTY LOT 19: ALL LINCOLN COUNTY LOT 20: ALL	02/26/1959	PG 445	WY	LINCOLN
50320-01	CYRIL HOUSLEY ET UX T026N R112W SEC-0007	11/14/1956 BK 19 LOT 2, 4, NWSE, SENW, NESW	PG 398		WY	LINCOLN

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
50320-02	AUGUSTA B MARX T026N R112W SEC-0007	11/19/1956	BK 19 PG 475 LOTS 2, 4, SENW, NWSE, NESW	WY	LINCOLN
50322-00	ST WY 0-22646 T026N R113W SEC-0001	01/16/1958	BK 35 PG 543 ALL OF ORIGINAL SECTION 1	WY	LINCOLN
50324-00	JOHN E MARX ET UX T026N R112W SEC-0006	11/01/1956	BK 19 PG 353 E2SW, LOT 10	WY	LINCOLN
	T026N R112W SEC-0007		LOT 1, NENW		
50325-00	USA W-039913 T026N R112W SEC-0033	11/01/1956	BK 22 PG 419 W2NW, NWSE, NENE, S2NE, E2NW, NWNE, SWSE, E2SE	WY	SUBLETTE
50329-00	WY STATE HWY COMMISSION T026N R112W SEC-0006	06/22/1958	BK 32 PG 379 STATE HIGHWAYS CROSSING FOLLOWING LANDS: PARCEL 1: E2SE PARCEL 2: LOT 11, SWSE	WY	LINCOLN
	T026N R112W SEC-0007		STATE HIGHWAYS CROSSING FOLLOWING LANDS: PARCEL 3: E2NE PARCEL 4: E2SE PARCEL 5: E2SE, SWSE PARCEL 6: NWSE PARCEL 7: LOT 3, NENE, W2NE PARCEL 8: W2NE PARCEL 9: NENW, LOT 1 PARCEL 10: PARCEL OF LAND INCLUDED WITHIN THE RIGHT OF WAY OF THE STATE HIGHWAY PROJECT L. N. -10 & F. A. PROJECT 158A, KNOWN AS THE KEMMERER-MARBLETON ROAD, SAID RIGHT-OF-WAY BEING 80' WIDE AND LYING 40' ON EITHER SIDE AND BEING EQUIDISTANT FROM A CERTAIN CENTER LINE DESCRIBED BY COURSES AND DISTANCES AS FOLLOWS: BEGINNING AT A POINT DESIGNATED IN THE FIELD NOTES OF THE SURVEY OF THE ABOVE MENTIONED HIGHWAY AS STATION 1276 40.0, SAID POINT BEING ON THE SOUTH BOUNDARY LINE OF NESE OF SECTION 19-26N-112W, 6TH P.M., AND N 17 DEGREE 11' W A DISTANCE OF 1129.9' FROM POINT WHICH IS N 31 DEGREE 48' W A DISTANCE OF 337.3' FROM A POINT WHICH IS EAST A DISTANCE OF 250' FROM THE SE CORNER OF SECTION 19, AFORESAID; THENCE N 17 DEGREE 11' W A DISTANCE OF 1076.2' TO A POINT OF AN 8 DEGREE 00' CURVE TO THE RIGHT, THE RADIUS OF WHICH IS 716.2'; THENCE ALONG SAID CURVE THROUGH AN ANGLE OF 16 DEGREE 00', A DISTANCE OF 200'; THENCE N 1 DEGREE 11' W A DISTANCE OF 2142.3'; THENCE N 1 DEGREE 21' E 145.2' TO POINT OF A 10 DEGREE 00' CURVE TO THE LEFT, THE RADIUS OF WHICH IS 573'; ALONG SAID CURVE THROUGH AN ANGLE OF 21 DEGREE 40' A DISTANCE OF 216.7'; THENCE N 20 DEGREE		

DB-0228

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
			19' W A DISTANCE OF 484.3' TO A POINT OF A 6 DEGREE 00' CURVE TO THE RIGHT, THE RADIUS OF WHICH IS 954.9'; THENCE ALONG SAID CURVE THROUGH AN ANGLE OF 11 DEGREE 23' A DISTANCE OF 189.7'; THENCE N 8 DEGREE 56' W A DISTANCE OF 2582.7' TO THE POINT OF A 5 DEGREE 00' CURVE TO THE RIGHT, THE RADIUS OF WHICH IS 1145.9'; THENCE ALONG SAID CURVE, THROUGH AN ANGLE OF 9 DEGREE 11' A DISTANCE OF 183.7'; THENCE N 0 DEGREE 15' E A DISTANCE OF 4889.2', THE END, WHICH IS STATION 1397 50 OF SAID SURVEY, WHICH POINT IS ON THE E & W CENTER LINE OF SECTION 7, 26N-112W OF THE 6TH P.M.		
	T026N R112W SEC-0018		STATE HIGHWAYS CROSSING FOLLOWING LANDS: PARCEL 4: E2SE, E2NE PARCEL 5: NE		
	T026N R112W SEC-0019		STATE HIGHWAYS CROSSING FOLLOWING LANDS: PARCEL 4: NESE, E2NE PARCEL 5: NENE PARCEL 10: SEE METES AND BOUNDS DESCRIBED IN SECTION 7		
	T026N R112W SEC-0020		STATE HIGHWAYS CROSSING FOLLOWING LANDS: PARCEL 4: NWSW		
50343-00	USA W 05749 T027N R112W SEC-0010	05/01/1951 BK 46 PG 707 LOT 1, NENE, S2NE		WY	SUBLETTE
	T027N R112W SEC-0011	N2			
	T027N R112W SEC-0012	S2N2, SE			
	T027N R112W SEC-0013	E2			
50344-00	USA W-066702 T027N R112W SEC-0010	07/01/1947 BK 89 PG 139 LOTS 4 AND 5		WY	SUBLETTE
50346-00	USA W-27878 T027N R112W SEC-0001	04/01/1971 BK 46 PG 707 SE		WY	SUBLETTE
	T027N R112W SEC-0012	N2NE			
50347-00	USA EV-023053 T027N R112W SEC-0015	01/01/1948 BK 84 PG 704 E2NE		WY	SUBLETTE
50348-00	USA EV-023053-A T027N R112W SEC-0015	01/01/1948 BK 84 PG 704 E2SE		WY	SUBLETTE
50349-00	USA EV-023057 T027N R112W SEC-0010	01/01/1948 BK 89 PG 145 SE		WY	SUBLETTE
	T027N R112W SEC-0015	W2NE			

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50350-00	USA EV-023057-A T027N R112W SEC-0015	01/01/1948 W2SE	BK	69	PG 145	WY	SUBLETTE
50351-00	USA EV-023066 T027N R112W SEC-0010	01/01/1948 E2SW, LOTS 6, 8	BK	69	PG 105	WY	SUBLETTE
	T027N R112W SEC-0015	E2NW, SWNW, LOT 1					
50352-00	USA EV-023066-A T027N R112W SEC-0015	01/01/1948 SW	BK	69	PG 105	WY	SUBLETTE
50353-00	USA W-053031 T027N R112W SEC-0015	09/01/1957 PORTION OF BED OF GREEN RIVER RIPARIAN TO LOT 2 MORE FULLY DESC. BY METES & BOUNDS IN LSE.	BK	87	PG 702	WY	SUBLETTE
50354-00	USA W-066701 T027N R112W SEC-0010	08/01/1949 PORTION OF BED OF GREEN RIVER THAT IS RIPARIAN TO LOTS 1,4,5,6,8	BK	69	PG 138	WY	SUBLETTE
	T027N R112W SEC-0015	PORTION OF BED OF GREEN RIVER THAT IS RIPARIAN TO LOT 1 ALL ACRES SHOWN IN SEC 10					
50355-00	USA W-07828 T028N R113W SEC-0003	08/01/1951 LOTS 7 (NENW), 8 (NWNW), S2NW, N2SW	BK	69	PG 587	WY	SUBLETTE
50362-00	USA W 01332 T029N R113W SEC-0026	05/01/1950 SESE, SWSE, N2SE, S2NE, SENW	BK	31	PG 286	WY	SUBLETTE
50365-00	USA EV-013484 T029N R113W SEC-0014	12/31/1938 SW, W2SE, S2NW, SWNE	BK	31	PG 333	WY	SUBLETTE
	T029N R113W SEC-0023	E2					
50380-00	USA W-60577 T028N R111W SEC-0029	11/01/1977 W2	BK	73	PG 208	WY	SUBLETTE
	T028N R111W SEC-0030	LOTS 1, 2, 3, 4, E2, E2W2					
	T028N R111W SEC-0031	NE, E2SE					
	T028N R111W SEC-0032	W2					
50384-00	USA W-62791	05/01/1978	BK	65	PG 556	WY	SUBLETTE

08-02

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T028N R111W SEC-0025		E2 LOT 1 (20.64 AC) LOT 3 (41.1 AC) LOT 4 (40.82 AC) LOT 6 (30.22 AC) LOT 7 (40.54 AC), SESWNE, SENESW, SESW, W2SE		
	T028N R111W SEC-0031		LOTS 1 (NWNW), 2 (SWNW), E2NW, W/2SE LOTS 3 (NWSW), 4 (SWSW), E2SW		
50431-00	USA EV-022788-A T029N R113W SEC-0001	12/31/1938	BK 88 PG 767 LOTS 3, 4, S2NW, SW	WY	SUBLETTE
	T029N R113W SEC-0002		LOTS 1, 2, 3, 4, S2NE, SENW, S2		
50432-00	USA EV-017710-B T030N R113W SEC-0026	12/31/1938	BK 54 PG 226 E2	WY	SUBLETTE
	T030N R113W SEC-0034		N2SW, SE, SESW		
50434-00	USA EV-017710-A T030N R113W SEC-0034	12/31/1938	BK 54 PG 226 SWSW	WY	SUBLETTE
50436-00	USA EV-22788 T029N R113W SEC-0003	12/31/1938	BK 88 PG 767 LOTS 1(32.83), 2(32.16), 3(31.53), 4(30.89), S/2N/2, SW, S/2SE, NW/SE	WY	SUBLETTE
	T029N R113W SEC-0004		LOTS 1(31.11), 2(32.20), 3(33.30),S/2NE, SENW, NESW, N/2SE		
	T030N R113W SEC-0033		E/2, E/2W/2		
55787-01	KATHLEEN ANNE MILLER T029N R113W SEC-0011	08/13/1996	BK 77 PG 548 W2NW	WY	SUBLETTE
55787-02	ROBERT M MILLER JR ET UX T029N R113W SEC-0011	08/13/1996	BK 77 PG 554 W2NW	WY	SUBLETTE
55787-03	MATTHEW DANIEL MILLER T029N R113W SEC-0011	08/13/1996	BK 77 PG 560 W2NW	WY	SUBLETTE
55787-04	PATRICIA M ROBERTS ET VIR T029N R113W SEC-0011	08/13/1996	BK 77 PG 562 W2NW	WY	SUBLETTE
55787-05	PRISCILLA KYSAR ET VIR T029N R113W SEC-0011	08/13/1996	BK 77 PG 546 W2NW	WY	SUBLETTE
55787-06	ALBERT E SCHWABACHER ET AL T029N R113W SEC-0011	04/13/1996	BK 81 PG 656 W2NW	WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
57047-00	USA W-01763 T029N R113W SEC-0002 T029N R113W SEC-0003	09/01/1950 SWNW NESE	BK PG	WY	SUBLETTE
57790-00	USA WYW-98797 T026N R112W SEC-0013	03/01/1966 LOTS 1 & 2	BK 274 PG 531	WY	LINCOLN
57806-00	USA EV-026240 T026N R113W SEC-0023	11/01/1950 NWNE	BK 306 PG 96	WY	LINCOLN
57809-00	USA W-059091 T027N R112W SEC-0009	06/01/1949 BK 89 PG 130 THAT PORTION OF THE BED OF THE GREEN RIVER THAT IS RIPARIAN TO LOTS 1, 2, & 3		WY	SUBLETTE
	T027N R112W SEC-0020	THAT PORTION OF THE BED OF THE GREEN RIVER THAT IS RIPARIAN TO LOTS 3 & 4			
57810-00	USA W-025785 T026N R113W SEC-0002	06/01/1954 LOTS 7, 8, 9, 10, & 11	BK 305 PG 89	WY	LINCOLN
57821-01	JOSEPH W KRALL T027N R113W SEC-0032	03/23/1988 SESE	BK 82 PG 551	WY	SUBLETTE
	T027N R113W SEC-0033	S/2SW			
57821-02	SUSAN K DONALDSON, ET VIR T027N R113W SEC-0032	03/23/1988 SESE	BK 82 PG 643	WY	SUBLETTE
	T027N R113W SEC-0033	S/2SW			
57821-03	SALLY ORR, ET VIR T027N R113W SEC-0032	03/23/1988 SESE	BK 82 PG 641	WY	SUBLETTE
	T027N R113W SEC-0033	S/2SW			
57821-04	JUDY BETKA, ET VIR T027N R113W SEC-0032	03/23/1988 SESE	BK 82 PG 645	WY	SUBLETTE
	T027N R113W SEC-0033	S/2SW			
57821-05	NANCY JO T KNADLER, ET VIR T027N R113W SEC-0032	03/22/1988 SESE	BK 82 PG 549	WY	SUBLETTE
	T027N R113W SEC-0033	S/2SW			
57821-06	TED E MILLER T027N R113W SEC-0032	03/29/1988 SESE	BK 82 PG 636	WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
	T027N R113W SEC-0033	S/2SW					
57821-07	FRANK T MILLER T027N R113W SEC-0032	03/29/1960 SESE	BK	82	PG 637	WY	SUBLETTE
	T027N R113W SEC-0033	S/2SW					
57821-08	MARILYN JAMES, ET VIR T027N R113W SEC-0032	03/31/1960 SESE	BK	82	PG 638	WY	SUBLETTE
	T027N R113W SEC-0033	S/2SW					
58964-00	USA WYW-034923 T026N R113W SEC-0006	10/01/1950 SWSE	BK	314	PG 254	WY	LINCOLN
75007-00	USA WY-068276 T026N R113W SEC-0011	07/01/1961 SWNW	BK	50	PG 61	WY	LINCOLN
75012-00	USA EV-021976 T026N R113W SEC-0005	04/01/1946 LOT 3, INSOFAR AS THE ABOVE LANDS COVER THE RIGHTS FROM THE SFC TO THE STRAT EQUIVALENT OF THE BASE OF HILLIARD (BAXTER SHALE) AS DEFINED @ 6260 FEET IN THE MOBIL T-61X-6 WELL, LOCATED IN LOT 2 OF SEC 5 TOWNSHIP 26 NORTH, RANGE 113 WEST, "EXCEPTING AND RESERVING UNTO MOBIL" THE STRAT EQUIVALENT OF INTERVAL BETWEEN 4756' AND THE FAULT, @ 5426' LOCATED IN THE MOBIL T84-6-G WELL, LOCATED IN LOT 10 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 113 WEST.	BK	18	PG 130	WY	LINCOLN
		LOT 6, INSOFAR AS THE ABOVE LANDS COVER THE RIGHTS FROM THE SFC TO THE STRAT EQUIVALENT OF THE BASE OF HILLIARD (BAXTER SHALE) AS DEFINED @ 6260 FEET IN THE MOBIL T-61X-6 WELL, LOCATED IN LOT 2 OF SEC 5 TOWNSHIP 26 NORTH, RANGE 113 WEST, "EXCEPTING AND RESERVING UNTO MOBIL" THE STRAT EQUIVALENT OF INTERVAL BETWEEN 4756' AND THE FAULT, @ 5426' LOCATED IN THE MOBIL T84-6-G WELL, LOCATED IN LOT 10 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 113 WEST.					
75013-00	USA EV-025792 T026N R113W SEC-0005	06/01/1946 LOT 1, INSOFAR AS THE ABOVE LANDS COVER THE RIGHTS FROM THE SFC TO THE STRATIGRAPHIC EQUIVALENT OF THE BASE OF HILLIARD (BAXTER SHALE) AS DEFINED @ 6260 FEET IN THE MOBIL T-61X-6 WELL, LOCATED IN LOT 2 OF SEC 5 TOWNSHIP 26 NORTH, RANGE 113 WEST, "EXCEPTING AND RESERVING UNTO MOBIL" THE STRAT EQUIVALENT OF INTERVAL BETWEEN 4756' & THE FAULT, AT 5426' LOCATED IN THE MOBIL T84-6-G WELL, LOCATED IN LOT 10 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 113 WEST	BK	314	PG 218	WY	LINCOLN
		LOT 2, INSOFAR AS THE ABOVE LANDS COVER THE RIGHTS FROM THE					

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
			SFC TO THE STRATIGRAPHIC EQUIVALENT OF THE BASE OF HILLIARD (BAXTER SHALE) AS DEFINED @ 6260 FEET IN THE MOBIL T-51X-5 WELL, LOCATED IN LOT 2 OF SEC 5 TOWNSHIP 26 NORTH, RANGE 113 WEST, "EXCEPTING AND RESERVING UNTO MOBIL" THE STRAT EQUIVALENT OF INTERVAL BETWEEN 4758' & THE FAULT, AT 5425' LOCATED IN THE MOBIL T84-6-G WELL, LOCATED IN LOT 10 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 113 WEST			
			LOT 7, INSOFAR AS THE ABOVE LANDS COVER THE RIGHTS FROM THE SFC TO THE STRATIGRAPHIC EQUIVALENT OF THE BASE OF HILLIARD (BAXTER SHALE) AS DEFINED @ 6260 FEET IN THE MOBIL T-51X-5 WELL, LOCATED IN LOT 2 OF SEC 5 TOWNSHIP 26 NORTH, RANGE 113 WEST, "EXCEPTING AND RESERVING UNTO MOBIL" THE STRAT EQUIVALENT OF INTERVAL BETWEEN 4758' & THE FAULT, AT 5425' LOCATED IN THE MOBIL T84-6-G WELL, LOCATED IN LOT 10 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 113 WEST			
			LOT 8, INSOFAR AS THE ABOVE LANDS COVER THE RIGHTS FROM THE SFC TO THE STRAT EQUIVALENT OF THE BASE OF HILLIARD (BAXTER SHALE) AS DEFINED @ 6260 FEET IN THE MOBIL T-51X-5 WELL, LOCATED IN LOT 2 OF SEC 5 TOWNSHIP 26 NORTH, RANGE 113 WEST, "EXCEPTING AND RESERVING UNTO MOBIL" THE STRAT EQUIVALENT OF INTERVAL BETWEEN 4758' & THE FAULT, AT 5425' LOCATED IN THE MOBIL T84-6-G WELL, LOCATED IN LOT 10 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 113 WEST			
75021-00	USA W-104985 T026N R111N SEC-0006	06/01/1987 BK 263 N2NW, SENW		PG 159	WY	LINCOLN
75022-00	USA WYW-102101 T026N R111N SEC-0006	11/01/1986 BK 263 N2SW, SWNW, SWSW		PG163	WY	LINCOLN
	T026N R111N SEC-0022	SWNW, S2				
	T026N R111N SEC-0026	NENE				
75047-00	USA WYW-113867 T025N R114W SEC-0011	12/01/1988 BK 314 NE, S2		PG 241	WY	LINCOLN
	T025N R114W SEC-0012	LOTS 1-12, W/2				
	T025N R114W SEC-0013	LOTS 1-12, W/2				
75052-00	CARL TAYLOR, ET UX T026N R112W SEC-0006	04/22/1959 BK 34 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS: BLOCK 1: LOTS 3 & 19 = .13774 AC BLOCK 3: LOTS 1,2,3,4,8,9,10,11, AND 12 = .61983 AC	PG 187		WY	LINCOLN
75053-00	W E HEATHMAN, ET UX T026N R112W SEC-0006	03/07/1959 BK 34 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS	PG 185		WY	LINCOLN

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
		BLOCK 12: LOTS 1,2,3,4,5,6,7 AND 8 - .55096 ACRES			
75054-00	C J PAYNE, ET UX T026N R112W SEC-0006	03/07/1969 BK 34 PG 183 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOTS 27,28,29 BLOCK 5: LOTS 15,16 BLOCK 7: LOT 15 CONTAINING .41322 ACRES		WY	LINCOLN
75055-00	JAMES A DEGRAW, ET UX T026N R112W SEC-0006	03/07/1969 BK 34 PG 181 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 7: LOTS 6,7,8,9,10 BLOCK 11: LOT 1 CONTAINING .41322 ACRES		WY	LINCOLN
75056-00	CECIL J STUDT, ET UX T026N R112W SEC-0006	03/07/1969 BK 34 PG 179 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK A: RIVER VIEW ADDITION LOT 3 BLOCK C: RIVER VIEW ADDITION LOTS 1,2,3,4,5,6,7,8 BLOCK 5: LOTS 1,2,3,4,5,6,7,8,17,18,19,20,21,22,23 CONTAINING 1.65306 ACRES		WY	LINCOLN
75057-00	CYRIL HOUSLEY, ET UX T026N R112W SEC-0006	03/07/1969 BK 34 PG 177 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS SECOND ADDITION, BLOCK 1: LOTS 3 AND 4 CONTAINING .286264 ACRES		WY	LINCOLN
75058-01	THERESA R DECKER T026N R112W SEC-0006	03/07/1969 BK 34 PG 175 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 6: LOTS 3 & 4 BLOCK 6: SOUTHERLY 8 FEET OF LOT 2		WY	LINCOLN
75059-00	WM R DEGRAW, ET UX T026N R112W SEC-0006	03/12/1969 BK 34 PG 173 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 7: LOT 13 AND 14 CONTAINING .13774 ACRES		WY	LINCOLN
75060-00	ROBERT A DEGRAW, ET UX T026N R112W SEC-0006	03/12/1969 BK 34 PG 171 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 10: LOTS 1,2,3 CONTAINING .20661 ACRES		WY	LINCOLN
75061-00	MARIE F IVERSON T026N R112W SEC-0006	03/12/1969 BK 34 PG 169 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 6: LOTS 23,24,25, AND 26 CONTAINING .27548 ACRES		WY	LINCOLN
75062-00	NEIL HACKLIN, ET UX	03/18/1969 BK 34 PG 167		WY	LINCOLN

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T026N R112W SEC-0006	TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION BLOCK 8: LOTS 13,14,15, AND 16 = .27566 AC			
75063-01	ELLIS E ALEXANDER, ET UX T026N R112W SEC-0006	03/18/1969 BK 34 PG 185 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 4: LOTS 1,2,3,4,5,6, AND 7 CONTAINING .48209 ACRES		WY	LINCOLN
75063-02	FRANK ZAGAR, ET UX T026N R112W SEC-0006	07/15/1969 BK 41 PG 104 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 4: LOTS 3,4,5,6, AND 7		WY	LINCOLN
75064-00	GERALD C HALE, ET UX T026N R112W SEC-0006	03/18/1969 BK 34 PG 183 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 6: LOTS 27,28,29,30,31, AND 32 CONTAINING .41322 ACRES		WY	LINCOLN
75065-00	JOHN E GAULT, ET UX T026N R112W SEC-0006	03/20/1969 BK 34 PG 181 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 8: LOTS 8,9, AND 10 CONTAINING .20661 ACRES		WY	LINCOLN
75066-00	JOHN EDLUND, ET UX T026N R112W SEC-0006	03/20/1969 BK 34 PG 159 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 4: LOTS 8-10 .20661 ACS. BLOCK 10: LOTS 11-14 AND 16 .34436 ACS.		WY	LINCOLN
75067-00	WALTER J CRANOR, ET UX T026N R112W SEC-0006	03/20/1969 BK 34 PG 157 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 5: LOTS 9-11 .20661 ACS. BLOCK 8: LOTS 11-15 .34436 ACS.		WY	LINCOLN
75068-00	HOLGER JOHNSON, ET UX T026N R112W SEC-0006	03/20/1969 BK 34 PG 155 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOTS 13-16 .27548 ACRES		WY	LINCOLN
75069-00	JESSE R GAULT, ET UX T026N R112W SEC-0006	03/21/1969 BK 34 PG 153 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 11: LOTS 5,6,7, AND 8 CONTAINING .27548 ACRES		WY	LINCOLN
75070-00	PETE SUNDGREN, ET UX T026N R112W SEC-0006	03/23/1969 BK 34 PG 151 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOTS 6,7 & 8; .20661 AC.		WY	LINCOLN
75071-00	NORMAN KIEFFER, ET UX T026N R112W SEC-0006	03/23/1969 BK 34 PG 149 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS		WY	LINCOLN

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
		BLOCK 7: LOT 4 & 5; .13774 AC.			
75072-00	ARVEL A DAVID, ET UX T026N R112W SEC-0006	03/23/1959 BK 34 PG 147 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 6: LOTS 20-22 .20661 ACRES		WY	LINCOLN
75073-00	ERIC WALLIN T026N R112W SEC-0006	03/23/1959 BK 34 PG 145 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 4: LOTS 12-13 .13774 ACS.		WY	LINCOLN
75074-00	JOHN PEARSON T026N R112W SEC-0006	03/23/1959 BK 34 PG 143 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION. BLOCK A LOT 6 .06667 ACS.		WY	LINCOLN
75075-00	DONALD L STUDT, ET UX T026N R112W SEC-0006	03/23/1959 BK 34 PG 141 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION. BLOCK A LOTS 7-11 .34436 ACS.		WY	LINCOLN
75076-00	GEORGE VICKREY, ETUX T026N R112W SEC-0006	03/25/1959 BK 34 PG 139 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOTS 22-26 .34436 ACRES BLOCK 6: LOTS 18-19 .13774 ACRES BLOCK 7: LOTS 1-2 .13774 ACRES		WY	LINCOLN
75077-00	NELS OSTROM T026N R112W SEC-0006	03/26/1959 BK 34 PG 137 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOT 10 .06667 ACRES		WY	LINCOLN
75078-00	JOHN WESTERLUND T026N R112W SEC-0006	03/26/1959 BK 34 PG 135 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2, LOT 9 .06667 ACS.		WY	LINCOLN
75079-00	SAM OHME T026N R112W SEC-0006	03/26/1959 BK 34 PG 133 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 4: LOT 14; .06667 AC.		WY	LINCOLN
75080-00	RALPH V WHITE, ET UX T026N R112W SEC-0006	03/26/1959 BK 34 PG 131 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION BLOCK E: LOTS 9,10,,12,13; .306815 AC.		WY	LINCOLN
75081-00	CARL KULINSKY, ET UX T026N R112W SEC-0006	03/26/1959 BK 34 PG 127 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION BLOCK A: LOTS 1 & 2; .13774 AC.		WY	LINCOLN
75082-00	C E TALCOTT, JR, ET UX T026N R112W SEC-0006	03/26/1959 BK 34 PG 129 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS		WY	LINCOLN

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
		BLOCK 5: LOT 26; .06887 AC.			
75083-00	OLIVER E GREGORY, ET UX T026N R112W SEC-0006	03/30/1959	BK 34 PG 125 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 1: LOTS 8, 9, 10, 24, 25; .34436 AC.	WY	LINCOLN
75084-00	J. THOMAS HALL, ET UX T026N R112W SEC-0006	03/30/1959	BK 34 PG 123 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 5: LOTS 27, 28 & 29; .20661 AC.	WY	LINCOLN
75085-00	PETE M GOLICH, ET UX T026N R112W SEC-0006	03/30/1959	BK 34 PG 121 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 1, LOTS 1 AND 2 .13774 ACS.	WY	LINCOLN
75086-00	VINCENT A GUYETTE T026N R112W SEC-0006	03/30/1959	BK 34 PG 105 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION. BLOCK B LOTS 11 & 12 .13774 ACS.	WY	UNCOLN
75087-00	AARON NEALE JONES, ET UX T026N R112W SEC-0006	03/26/1959	BK 34 PG 119 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION. BLOCK D LOTS 1,2,3,4 .27548 ACS.	WY	LINCOLN
75088-00	ALVIN VALLETT, ET UX T026N R112W SEC-0006	04/02/1959	BK 34 PG 117 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 11: LOTS 2, 3, 4; .20661 AC.	WY	LINCOLN
75089-01	LESLIE C VASEY, ET UX T026N R112W SEC-0006	04/06/1959	BK 34 PG 115 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 7: LOT 3; .06887AC SECOND ADDITION, BLOCK 3: LOTS 1 & 2; 1.61 AC.	WY	LINCOLN
75090-00	SCHOOL DISTRICT NO. 1 T026N R112W SEC-0006	04/13/1959	BK 34 PG113 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 6: LOTS 1, 2, 3, 4, 5, 6, 7; .48209 AC.	WY	LINCOLN
75091-00	VIRGIL V BAILEY, ET UX T026N R112W SEC-0006	03/07/1959	BK 34 PG 97 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 5: LOT 14; .06887 AC. BLOCK 6: LOTS 5, 6, 7, 8, 9 AND 10; .41322 AC. BLOCK 7: LOT 16; .06887 AC.	WY	LINCOLN
75092-00	DON WAGNER, ET UX T026N R112W SEC-0006	04/20/1959	BK 34 PG 111 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOTS 30, 31 & 32; .20661 AC.	WY	LINCOLN
75093-00	JIMMY DE GRAW, ET UX T026N R112W SEC-0006	04/06/1959	BK 33 PG 419 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS	WY	UNCOLN

DB4-0B

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
		RIVER VIEW ADDITION BLOCK D: LOTS 5 & 6; .13774 AC.			
75094-00	VELMA WILSON, ET AL T026N R112W SEC-0006	04/20/1959 BK 34 PG108 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 4: LOT 11; .06887 AC.		WY	LINCOLN
75095-00	HERMAN PIZ, ET AL T026N R112W SEC-0006	04/22/1959 BK 34 PG 107 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 3; LOTS 13 & 14; .41322 AC.		WY	LINCOLN
75096-00	GORDON GUYETTE, ET UX T026N R112W SEC-0006	06/02/1959 BK 34 PG 103 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION BLOCK D: LOT 7; .06887 AC.		WY	LINCOLN
75097-00	ALEX J BERTAGNOLLI T026N R112W SEC-0006	06/09/1959 BK 34 PG 99 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOTS 1, 2, 3, 17, 18, 19, 20 & 21; .55086 AC.		WY	LINCOLN
75098-00	PAUL I BERTAGNOLLI, ET UX T026N R112W SEC-0006	06/04/1959 BK 34 PG 101 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 2: LOT 4 & 5; .13774 AC.		WY	LINCOLN
75099-01	C.J. YATES T026N R112W SEC-0006	10/31/1969 BK 41 PG 98 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS BLOCK 1: LOT 28		WY	LINCOLN
75100-00	LEO MANSKE, ET UX T026N R112W SEC-0006	10/12/1969 BK 41 PG 100 TOWNSITE OF LABARGE (FORMERLY TULSA) THE FOLLOWING LOTS RIVER VIEW ADDITION BLOCK A: LOTS 12,13,14 & 16		WY	LINCOLN
75110-00	USA WYW-124068 T025N R112W SEC-0022	10/01/1991 BK 308 PG 146 ALL		WY	LINCOLN
75148-00	USA WYW-125980 T025N R112W SEC-0024	01/01/1992 BK 314 PG 49 LOT 1		WY	LINCOLN
75158-00	USA WY-42788 T025N R112W SEC-0024	01/01/1974 BK 314 PG 223 W2NE, W2SE, LOTS 2, 3, 4		WY	LINCOLN
	T025N R112W SEC-0026	N2NW, SENW, SW, SWNW, W2NE, W2SE, LOTS 1, 2, 3, 4			
75174-00	USA EV-07675(C) T027N R113W SEC-0034	11/01/1966 BK 88 PG 535 E2E2		WY	SUBLETTE
	T026N R113W SEC-0003	LOT 1	BK 311 PG 679	WY	LINCOLN

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
75175-00	USA EV-07796(C) T026N R113W SEC-0003	09/01/1964 SWSE	BK 311	PG 221		WY	LINCOLN
	T026N R113W SEC-0010	W2SW					
75176-00	USA EV-07796(D) T026N R113W SEC-0003	09/01/1964 E2SE, LOTS 8 AND 9	BK 311	PG 226		WY	LINCOLN
	T026N R113W SEC-0010	E2SW, N2NE					
75177-00	USA EV-08051(A) T027N R113W SEC-0027	02/01/1948 NENW, W2SWNE	BK 86	PG 511		WY	SUBLETTE
75178-00	USA EV-024168 T027N R113W SEC-0027	11/01/1947 NWSE	BK 36	PG 108		WY	SUBLETTE
75179-00	USA WY-040634 T027N R113W SEC-0027	06/01/1956 NESE	BK 36	PG 222		WY	SUBLETTE
75180-00	USA WY-041447 T027N R113W SEC-0027	06/01/1956 SESE	BK 36	PG 227		WY	SUBLETTE
75181-00	USA WY-088274 T026N R113W SEC-0002	07/01/1961 SW	BK 50	PG 67		WY	LINCOLN
75182-00	USA WY-088275 T026N R113W SEC-0002	07/01/1961 W2SE, LOTS 13, 14	BK 50	PG 64		WY	LINCOLN

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING				ST	COUNTY
50002-00	ENGER K CHRISMAN T029N R113W SEC-0010	06/18/1947 SENE, NWSE	BK	5	PG	3	WY	SUBLETTE
50004-00	USA W-10678 T029N R113W SEC-0013 T029N R113W SEC-0023	08/01/1949 W/2 SW/4 S/2 NW/4, SW/4 NE/4, NE/4 SW/4 W/2 W/2	BK		PG		WY	SUBLETTE
50012-00	CLIFTON FEAR, ET AL T029N R113W SEC-0009 T029N R113W SEC-0010 T029N R113W SEC-0015	04/12/1965 E2SW, SE SWNW, SWSE, SW N2N2	BK	11	PG	449	WY	SUBLETTE
50023-00	USA W-05689 T028N R114W SEC-0033	06/01/1951 W/2SW/SW, E/2SW/SW, SESW	BK		PG		WY	SUBLETTE
50025-00	USA W-17208 T028N R114W SEC-0032	03/01/1969 LOTS: NE PART OF 17, 18, 19, 20 ALL LOT 17 EXCEPT NE	BK		PG		WY	SUBLETTE
50030-00	USA W-21124 T030N R113W SEC-0004 T030N R113W SEC-0005 T030N R113W SEC-0006	06/01/1961 LOTS 3, 4 LOT 1, SENE, SW LOTS 2, 3, 4, SWNE, S2NW SENE, NESE, LOTS 1, 2, SWNE	BK	34	PG	174	WY	SUBLETTE
50032-00	USA W-02738 T031N R113W SEC-0026 T031N R113W SEC-0029 T031N R113W SEC-0031 T031N R113W SEC-0032 T031N R113W SEC-0033	12/01/1960 SWNW, NWSW N2, SE, SW E2NE, NESE LOTS 1-4, E2W2, W2NE, S2SE, NWSE W2, W2SE, E2E2, W2NE NWNW, S2NW, SW, SWNE, SE	BK	33	PG	343	WY	SUBLETTE
50034-00	USA W-05658 T025N R113W SEC-0031	07/01/1961 S2 LOT 3, LOT 4, W2 LOT 5, SWNESW N2 LOT 3, E2 LOT 5, N2NESW, SENESW	BK		PG		WY	LINCOLN
50035-00	EDGAR F HERSCHLER ET UX T024N R114W SEC-0000	09/19/1963 RESURVEY TRACT 50 BEING THE WEST 3/4 AND RESURVEY TRACT 55 BEING ALL	BK	5	PG	398	WY	LINCOLN

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
			RESURVEY TRACT 49 BEING THE WEST 40 ACRES		
50036-00	ARNOLD A LARSON ET UX T024N R114W SEC-0000	09/18/1963	BK 6 PG 381 TRACT 48-B (ORIGINALLY SESW SEC. 2) TRACT 48 BEING THE CENTER 1/3 (ORIGINALLY THE NWNW SEC. 11) TRACT 50 BEING THE MOST EASTERLY 1/4, ORIGINALLY SWNE SEC. 3 (42.79 AC) PORTION OF TRACT 48, ORIGINALLY SENE SEC. 3 (41.83 AC) TRACT 45 BEING THE MOST WESTERLY 1/3, ORIGINALLY NENE SEC. 10 TRACT 49 BEING THE MOST EASTERLY 80 ACRES, ORIGINALLY W2SE SEC. 3	WY	LINCOLN
	T024N R114W SEC-0002		LOTS 16 (39.10), 17 (5.71), 18 (6.48)		
	T024N R114W SEC-0003		LOTS 12 (22.51), 13 (20.36) LOTS 14 (17.84), 16 (17.84)		
50037-00	ST WY 08945 T025N R114W SEC-0036	09/16/1949	BK 6 PG 382 SESE LOT 40, E2SWSE LOT 40 ALL LESS AND EXCEPT SESE LOT 40, E2SWSE LOT 40	WY	LINCOLN
50038-00	USA W-01902 T024N R114W SEC-0003	03/01/1950	BK 10 PG 134 W2 LOT 10 AND LOT 11, E2 LOT 10	WY	LINCOLN
50039-00	USA EV-024522-A T023N R112W SEC-0021	11/01/1948	BK 32 PG 228 SESE	WY	LINCOLN
50040-00	USA EV-024521-A T023N R112W SEC-0022	11/01/1948	BK PG SESE	WY	LINCOLN
50041-00	USA EV-024522 T023N R112W SEC-0016	11/01/1948	BK 32 PG 228 SENW, S2NE, SE, E2SW, N2N2, SWNW, E2SW	WY	LINCOLN
	T023N R112W SEC-0021		NE, N2SE, SWSE		
	T023N R112W SEC-0028		NE		
50042-00	USA EV-24521-B T023N R112W SEC-0022	11/01/1948	BK PG N2, N2S2, S2SW, SWSE	WY	LINCOLN
	T023N R112W SEC-0023		NWNW, NE, NENW, S2NW, S2		
	T023N R112W SEC-0027		NW, N2NE		
50059-00	CHAMPLIN PETROLEUM CO.	10/03/1973	BK 108 PG 437	WY	LINCOLN

LEASE NUMBER	ESSOR	LEASE DATE	RECORDING		ST	COUNTY
	T022N R112W SEC-0021	E2SW, SE, SENW, S2NE				
50065-00	USA W-0127861 T030N R113W SEC-0013	10/01/1961 BK SWNE, SE		PG	WY	SUBLETTE
50066-00	USA W-02274 T030N R113W SEC-0013	08/01/1950 BK NENW, S2NW		PG	WY	SUBLETTE
	T030N R113W SEC-0024	SE, NESW, E2NE, NWNE, E2NW				
50067-00	USA W-02274-A T030N R113W SEC-0013	08/01/1950 BK NWNW		PG	WY	SUBLETTE
50068-00	USA EV-024526-G T030N R112W SEC-0030	12/01/1948 BK NENW		PG	WY	SUBLETTE
50069-00	USA W-16789 T030N R112W SEC-0019	08/01/1948 BK LOTS 1, 2, 3, 4		PG	WY	SUBLETTE
50070-00	USA W-05804 T030N R113W SEC-0014	04/01/1951 BK E2NE, NESE		PG	WY	SUBLETTE
50071-00	USA EV-024536-A T030N R113W SEC-0013	12/01/1948 BK SW4		PG	WY	SUBLETTE
50075-00	USA EV-024354 T027N R112W SEC-0034	11/01/1948 BK ALL		PG	WY	SUBLETTE
	T028N R112W SEC-0003	E2NE, SE				
50076-00	ANDERSON L MCGINNIS T028N R112W SEC-0018	06/01/1963 BK LOT 2, SENW	66	PG 482	WY	SUBLETTE
50077-00	WILLIAM J MCGINNIS T028N R112W SEC-0017	03/12/1963 BK S2N2, N2SW, NWSE, SWSW	38	PG 119	WY	SUBLETTE
	T028N R112W SEC-0018	SE, SESW, LOT 4				
	T028N R112W SEC-0019	NWNE				
50078-00	USA EV-024355 T028N R112W SEC-0032	08/01/1948 BK E2, E2W2		PG	WY	SUBLETTE
	T029N R112W SEC-0033	W2, W2NE				
50062-00	USA EV-024470	01/01/1950 BK		PG	WY	SUBLETTE

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T029N R112W SEC-0027	ALL			
	T029N R112W SEC-0028	SWSE, S2SESE, E2SESW, W2SESW, N2SESE, NW, NE, N2S2, SWSW			
	T029N R112W SEC-0029	W2SW, NE, NW, SE, E2SW			
50084-00	USA W-53496 T028N R112W SEC-0029	01/01/1965 BK PG W2E2, SW, E2NW, SWNW, NWNW		WY	SUBLETTE
	T028N R112W SEC-0030	SE, LOT 2 (33.12 ACS), LOT 3 (32.59 ACS), LOT 4 (32.24 ACS), NE, E2W2			
	T028N R112W SEC-0031	NE, LOT 1 (31.93 ACS), LOT 2 (31.68 ACS), LOT 3 (31.42 ACS), SE, E2W2			
	T028N R112W SEC-0032	W2NW			
50085-00	USA W-53496 T028N R112W SEC-0032	12/01/1965 BK PG W2NE, NWSE, E2NW, E2NESW, SWSE, S2SW, W2NESW		WY	SUBLETTE
50087-00	USA W 92216 T028N R112W SEC-0006	07/01/1948 BK PG LOTS 1-12 S2		WY	SUBLETTE
	T028N R112W SEC-0006	LOTS 1, 3-18, E2SW, SE			
	T028N R112W SEC-0007	LOTS 1-4, E2, E2W2			
50088-00	USA W 92219 T028N R112W SEC-0004	08/01/1950 BK PG N2NWSW, W2 LOT 4(19.19), LOT 5(40.0), LOT 12(40.0) E2 LOT 4, S2NWSW		WY	SUBLETTE
50093-00	USA EV-022234 T028N R113W SEC-0020	10/01/1948 BK PG LOT 5		WY	SUBLETTE
	T028N R113W SEC-0029	NE/4; E/2 NW/4; NE/4 SW/4; N/2 SE/4; SE/4 SE/4			
50097-00	USA EV-023584 T028N R113W SEC-0023	06/01/1948 BK PG LOT 4 (27.24), W2NW		WY	SUBLETTE
50099-00	USA EV-024363 T028N R113W SEC-0020	11/01/1948 BK PG LOTS 6, 7, 8, E2SW, SWSE, TRACT 43-B		WY	SUBLETTE
50103-00	USA W-0256492 T028N R113W SEC-0021	07/01/1948 BK PG LOT 7,TRACTS 43-A,43-C		WY	SUBLETTE
	T028N R113W SEC-0028	LOTS 2,3,4,9,10, TRACTS 50-B, 50-D, LOT 11			
50107-00	USA W-0637 T028N R113W SEC-0015	04/01/1950 BK PG SE, SWNE, W2		WY	SUBLETTE

DEPARTI

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50111-00	USA EV-022238 T028N R113W SEC-0008	11/01/1948 E2, E2W2	BK		PG	WY	SUBLETTE
50112-00	RUTH A CHAMBERLAIN, ET VIR T028N R113W SEC-0020	01/17/1950 E2NE	BK	2	PG 286	WY	SUBLETTE
	T028N R113W SEC-0021	W2NW					
50118-00	WILLIAM J MCGINNIS, ET AL T028N R113W SEC-0021	07/30/1947 TRACT 42	BK	2	PG 158	WY	SUBLETTE
50124-00	USA EV-022241 T028N R113W SEC-0022	08/01/1948 W2SW, SESW, N2, LOT 1, NESW, NWSE	BK		PG	WY	SUBLETTE
	T028N R113W SEC-0027	S2SW					
50125-00	MARY H MCGINNIS T028N R113W SEC-0027	07/01/1948 RESURVEY TRACT 48	BK	2	PG 101	WY	SUBLETTE
50128-00	USA W-48608 T028N R113W SEC-0017	07/01/1948 LOTS 1,2,4,5,6, SWNE, NWSE	BK		PG	WY	SUBLETTE
	T028N R113W SEC-0021	LOTS 1,2,3,4,5,6,8, S2NE, N2SE, SESE, TR 43-D					
	T028N R113W SEC-0028	LOTS 1,5,6,7,8, TRS 50-A & 50-C, S2SE					
	T028N R113W SEC-0031	LOTS 7,8					
	T028N R113W SEC-0032	TR 53					
50130-00	USA EV-07538 T028N R113W SEC-0033	01/01/1940 NWNW	BK	89	PG 76	WY	SUBLETTE
50132-00	USA W-031464 T028N R113W SEC-0009	03/01/1955 E/2	BK		PG	WY	LINCOLN
50146-00	USA W-0256491 T028N R113W SEC-0033	01/01/1940 NENW	BK		PG	WY	SUBLETTE
50191-00	USA EV-024666-A T030N R113W SEC-0023	08/01/1948 NWNW	BK		PG	WY	SUBLETTE
50196-00	USA W-0125380 T029N R112W SEC-0030	08/01/1955 LOTS 2, 3, 4, E2W2, NWNE, S2NE, SE	BK		PG	WY	SUBLETTE
	T029N R112W SEC-0031	E2W2, E2, LOTS 1, 2, 3, 4					

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50197-00	USA W-0125391 T028N R113W SEC-0002	06/01/1952 LOTS 5 (39.18 AC) , 6 (38.97)	BK		PG	WY	SUBLETTE
50199-00	USA W-0189 T029N R113W SEC-0025	02/01/1950 N2NE4	BK	31	PG 208	WY	SUBLETTE
50200-00	USA W-014052 T028N R113W SEC-0001	06/01/1952 LOTS 7(40.43 ACS) , 8 (39.46)	BK		PG	WY	SUBLETTE
50201-00	USA EV-026216 T029N R112W SEC-0032	06/01/1950 W2SW	BK		PG	WY	SUBLETTE
50202-00	USA W-10680 T028N R113W SEC-0002	06/01/1952 LOT 7	BK		PG	WY	SUBLETTE
50205-00	ST WY 0-10799 T029N R113W SEC-0001	03/02/1951 NENE	BK		PG	WY	SUBLETTE
	T030N R113W SEC-0036	ALL					
50206-00	USA W 21125 T030N R113W SEC-0009	05/01/1951 W2	BK	84	PG 621	WY	SUBLETTE
	T030N R113W SEC-0015	SWSW					
	T030N R113W SEC-0021	N2					
50207-00	USA W-21123 T030N R113W SEC-0022	04/01/1951 W2NW	BK		PG	WY	SUBLETTE
50208-00	USA W-04628 T030N R113W SEC-0008	02/01/1950 E2SE, NE, NW, W2SE	BK		PG	WY	SUBLETTE
	T030N R113W SEC-0017	E2NE, NESE, S2SE, W2NE, NWSE					
50210-00	ST WY 0-13662 T030N R113W SEC-0016	04/07/1952 E2SW, SE	BK		PG	WY	SUBLETTE
50211-00	ST WY 0-11311 T030N R113W SEC-0016	07/02/1951 S2NE	BK		PG	WY	SUBLETTE
50212-00	ST WY 0-13663 T030N R113W SEC-0016	04/07/1952 NW, W2SW	BK		PG	WY	SUBLETTE
50220-00	USA W-04015-B T030N R112W SEC-0029	02/01/1951 E2NENW, W2NENW	BK		PG	WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
50223-00	USA EV-024526 T030N R112W SEC-0030	12/01/1948 NENWNE, NWNWNE, S2NWNE	BK	PG	WY	SUBLETTE
50224-00	USA EV-026171 T030N R112W SEC-0018 T030N R112W SEC-0032	08/01/1960 SESW, LOTS 1,2,3,4, NWNE, S2NE, E2NW, NESW, SE N2SW	BK	PG	WY	SUBLETTE
50226-00	USA W-04101 T030N R112W SEC-0029	03/01/1951 NESW, SESW	BK	PG	WY	SUBLETTE
50227-00	USA W-04101-B T030N R112W SEC-0029	03/01/1951 E2SENW, W2SENW	BK	PG	WY	SUBLETTE
50228-00	USA W-066555 T030N R112W SEC-0008 T030N R112W SEC-0009 T030N R112W SEC-0017 T030N R112W SEC-0020 T030N R112W SEC-0033	09/01/1949 NWNE, S2N2, LESS 6.37 AC INCL IN 67TH RESERVOIR SW, W2SE, SESE S2, S2N2 W2W2, NENW S2N2	BK	PG	WY	SUBLETTE
50229-00	USA W-27841 T030N R112W SEC-0019	09/01/1948 E2, SENW	BK	PG	WY	SUBLETTE
50230-00	USA W-068073 T030N R112W SEC-0027 T030N R112W SEC-0028 T030N R112W SEC-0032 T030N R112W SEC-0033 T030N R112W SEC-0034	12/01/1948 W2 W2W2 N2 N2N2 W2NW	BK	PG	WY	SUBLETTE
50232-00	USA W-38687 T029N R112W SEC-0017	11/01/1958 N2NE, SWNE, NWSE	BK 68	PG 1	WY	SUBLETTE
50233-00	USA W-027642 T030N R112W SEC-0030	12/01/1948 NENE, SENE	BK	PG	WY	SUBLETTE
50236-00	ST WY 0-20914 T029N R112W SEC-0016	06/16/1958 S2SW, NWSW, SWNW: LIMITED FROM SURFACE TO BASE OF MESAVERDE FORMATION (4,500'), SE, SWNE	BK 16	PG 88	WY	SUBLETTE

DBNPAMTI

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING				ST	COUNTY
		N2NE, SENE						
50238-00	USA EV-024445-E T030N R112W SEC-0019	09/01/1949 NE4NW4	BK		PG		WY	SUBLETTE
50239-00	USA W-036663-A T029N R112W SEC-0017	11/01/1955 SESE	BK	69	PG	1	WY	SUBLETTE
50240-00	USA EV-024445 T030N R112W SEC-0019	09/01/1949 E2SW4	BK		PG		WY	SUBLETTE
50241-00	USA W-036663 T029N R112W SEC-0017	11/01/1955 SENE, NESE	BK	69	PG	1	WY	SUBLETTE
50250-00	USA W-43911 T029N R112W SEC-0013	08/01/1956 SE, S2SW	BK		PG		WY	SUBLETTE
	T029N R112W SEC-0024	W2NW, SW						
	T029N R112W SEC-0025	N2NW						
50253-00	USA W-53499 T029N R112W SEC-0022	02/01/1960 SWNW, S2, S2NE	BK		PG		WY	SUBLETTE
	T029N R112W SEC-0023	NE, NWSE, E2SE, NW, N2SW						
	T029N R112W SEC-0026	NENE						
50261-01	FIRST NATL BNK OF KEMMERER T029N R112W SEC-0024	12/29/72 SESW, LOTS 9, 11	BK	48	PG	638	WY	SUBLETTE
	T029N R112W SEC-0025	SENW, N2NW, LOTS 2, 5						
	T029N R112W SEC-0026	LOTS 1, 7, AND ALL THAT PART OF THE GREEN RIVER RIPARIAN THERETO						
50261-02	DANIEL E CHAPEL T029N R112W SEC-0024	03/07/1961 SESW, LOTS 9, 11	BK	61	PG	461	WY	SUBLETTE
	T029N R112W SEC-0025	SENW, N2NW, LOTS 2, 5						
	T029N R112W SEC-0026	LOTS 1, 7, AND ALL THAT PART OF THE GREEN RIVER RIPARIAN THERETO						
50265-00	USA W-48517 T029N R112W SEC-0017	01/01/1975 SENW, E2SW, SWSE	BK	66	PG	367	WY	SUBLETTE
50330-00	ST WY #67-4066 T027N R112W SEC-0016	04/02/1967 E2 BEING W2NE, SESE, LOTS 1-5, 7, PORTION LOT 6 IN SWSE (5.31AC)-PORTION IN CONFINES GREEN RIVER BED	BK	42	PG	206	WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE		RECORDING		ST	COUNTY
50332-00	USA W-05690 T027N R114W SEC-0015	07/01/1961 SWNW	BK		PG	WY	SUBLETTE
50333-00	USA W-020778 T028N R114W SEC-0035	06/01/1963 E2, NW4	BK		PG	WY	SUBLETTE
50335-00	USA W-05691 T027N R114W SEC-0006	06/01/1961 LOTS 5, 6	BK		PG	WY	SUBLETTE
50336-00	USA EV-021954 T027N R114W SEC-0022	10/01/1947 NWNE	BK		PG	WY	SUBLETTE
50337-00	USA W-51101 T027N R114W SEC-0003	06/01/1951 S2S2	BK		PG	WY	SUBLETTE
	T027N R114W SEC-0004	S2					
	T027N R114W SEC-0005	LOTS 13,14,15,16, E2 LOT 23, 24, W2 LOT 23					
	T027N R114W SEC-0009	NE, E2NW, N2SE, SESE					
	T027N R114W SEC-0010	SWSW					
50345-00	USA W-64966 T027N R112W SEC-0011	09/13/1978 S2	BK	74	PG 522	WY	SUBLETTE
	T027N R112W SEC-0014	N/2					
50356-00	USA W-0231770 T029N R113W SEC-0026	02/01/1960 NW4NW4	BK	31	PG 206	WY	SUBLETTE
50357-00	USA W-0231771 T029N R113W SEC-0026	10/01/1960 W2SW4	BK	31	PG 213	WY	SUBLETTE
50358-00	USA W-0231772 T029N R113W SEC-0002	06/01/1962 SWNW, NWSW	BK	69	PG 548	WY	SUBLETTE
	T029N R113W SEC-0003	NWSE, S2NE, NESE, LOTS 5 & 6					
50359-00	USA W-024931-A T029N R113W SEC-0026	10/01/1948 SENW, SWNW	BK		PG	WY	SUBLETTE
50360-00	USA EV-025930 T029N R113W SEC-0023	06/01/1949 E2W2	BK		PG	WY	SUBLETTE
50361-00	USA W-031992	02/01/1950	BK	31	PG 206	WY	SUBLETTE

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING				ST	COUNTY
	T029N R113W SEC-0023	N2NE4, NE4NW4						
50363-00	USA W-014051 T028N R113W SEC-0002	06/01/1952 LOT 8	BK		PG		WY	SUBLETTE
50364-00	USA W-02583 T029N R113W SEC-0026	10/01/1950 E2SW, SWSE	BK	31	PG	213	WY	SUBLETTE
50366-00	USA EV-021767 T029N R113W SEC-0035	09/01/1950 SE4	BK	89	PG	10	WY	SUBLETTE
50374-00	USA W-62801 T031N R113W SEC-0007	07/01/1978 LOTS 1 THRU 4, E2, E2W2	BK		PG		WY	SUBLETTE
	T031N R113W SEC-0018	LOTS 1 THRU 4, E2, E2W2						
50380-00	USA W-60677 T028N R111W SEC-0029	11/01/1977 W2	BK	88	PG	784	WY	SUBLETTE
	T028N R111W SEC-0030	LOTS 1, 2, 3, 4, E2, E2W2						
	T028N R111W SEC-0031	NE, E2SE						
	T028N R111W SEC-0032	W2						
50422-00	USA W-11603 T028N R114W SEC-0021	04/01/1966 NE, SE	BK		PG		WY	SUBLETTE
50424-00	ST WY 66-5165 T028N R114W SEC-0016	03/02/1966 NENE, NW, N2SW, SE, SENE, S2SW, W2NE	BK		PG		WY	SUBLETTE
50425-00	USA W-2120 T028N R114W SEC-0015	11/01/1966 NW, SW	BK		PG		WY	SUBLETTE
	T028N R114W SEC-0022	SW						
50427-00	USA W-055275 T028N R112W SEC-0022	02/01/1959 NW, N2SW, S2SW	BK		PG		WY	SUBLETTE
50428-00	BETTE M THOMPSON T029N R113W SEC-0004	07/06/1978 W2SW, SESW	BK	63	PG	164	WY	SUBLETTE
	T029N R113W SEC-0006	E2SE						
	T029N R113W SEC-0007	NESE, E2NE						

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T029N R113W SEC-0008	N2NE, W2NW, NWSW, NESW, SE SENE, SENW, S2SW			
	T029N R113W SEC-0006	N2NW, S2NW, W2SW			
	T029N R113W SEC-0017	E2NW, NWNE			
50439-00	USA W-73977 T032N R114W SEC-0017	06/01/1961 BK 2 PG 506 NWNW, E2, E2NW, NESW		WY	SUBLETTE
	T032N R114W SEC-0020	NE, N2SE			
50507-00	USA W-67176 T026N R111W SEC-0006	06/01/1979 BK 223 PG 400 SENW, SWNE, W2SE, LOTS 3, 4, 5, 6, 7		WY	LINCOLN
	T026N R111W SEC-0007	W2E2			
57047-00	USA W-01763 T029N R113W SEC-0002	06/01/1950 BK PG SWNW		WY	SUBLETTE
	T029N R113W SEC-0003	NESE			
57132-00	MONTE NORRIS T031N R113W SEC-0019	03/12/1986 BK 74 PG 286 E2SW, S2SE, LOTS 2, 4,		WY	SUBLETTE
	T031N R113W SEC-0030	NENW, N2NE			
	T031N R114W SEC-0023	SENE			
	T031N R114W SEC-0024	NW, N2SE, SESE, S2NE			
58006-00	USA WYW-116386 T031N R113W SEC-0019	07/01/1978 BK PG LOTS 1,3, N/2NE, E/2NW		WY	SUBLETTE
	T031N R113W SEC-0030	LOTS 1, 2, 3, 4, E/2W			
58343-00	USA W-34033 T027N R111W SEC-0029	06/01/1972 BK 57 PG 280 NENE		WY	SUBLETTE
58344-00	USA W-36368 T027N R111W SEC-0008	07/01/1972 BK 63 PG 605 SWSE		WY	SUBLETTE
	T027N R111W SEC-0017	NE			
58345-00	USA W-36369 T027N R111W SEC-0016	07/01/1972 BK 64 PG 633 N2		WY	SUBLETTE
58346-00	USA W-36422 T027N R111W SEC-0022	10/01/1972 BK 57 PG 359 N2		WY	SUBLETTE

08/04/11

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
	T027N R111W SEC-0023	ALL					
	T027N R111W SEC-0025	SE, W2					
	T027N R111W SEC-0026	ALL					
58347-00	USA W-51347 T027N R111W SEC-0005	08/01/1975 NW, SW	BK 61		PG 447	WY	SUBLETTE
	T027N R111W SEC-0006	SE, S2NE					
	T027N R111W SEC-0007	NE					
	T027N R111W SEC-0008	:W, N2SW					
58348-00	USA W-54136 T027N R111W SEC-0014	04/01/1978 ALL	BK 64		PG 636	WY	SUBLETTE
	T027N R111W SEC-0015	S2					
58349-00	USA W-54137 T027N R111W SEC-0017	04/01/1978 SE	BK 64		PG 185	WY	SUBLETTE
	T027N R111W SEC-0020	NE					
58350-00	USA W-58724 T027N R111W SEC-0018	05/01/1977 LOTS 1-4, E2W2, W2SE, SWNE	BK 54		PG 470	WY	SUBLETTE
	T027N R111W SEC-0030	LOTS 1-3, E2W2, E2					
58351-00	USA W-59776 T027N R111W SEC-0020	08/01/1977 NESW	BK 54		PG 276	WY	SUBLETTE
58352-00	USA W-62117 T027N R111W SEC-0028	02/01/1978 NW, N2SW, SESW	BK 60		PG 198	WY	SUBLETTE
58353-00	USA W-62808 T027N R111W SEC-0029	11/01/1978 SE, SENE, W2, W2NE	BK 57		PG 187	WY	SUBLETTE
58354-00	USA W-62875 T027N R111W SEC-0030	04/01/1978 LOT 4	BK 66		PG 533	WY	SUBLETTE
58355-00	USA W-63490 T027N R111W SEC-0032	06/01/1978 NW, N2SW, LOT 2	BK 66		PG 188	WY	SUBLETTE
58356-00	USA W-63821 T027N R111W SEC-0032	07/01/1978 LOTS 3 AND 4, N2SE, NE	BK 57		PG 196	WY	SUBLETTE

DENPATH

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
58357-00	USA W-67808 T027N R111W SEC-0006	06/01/1979 N2NE	BK		PG	WY	SUBLETTE
	T027N R111W SEC-0007	SE					
	T027N R111W SEC-0018	E2NE, E2SE					
	T027N R111W SEC-0019	E2NE, E2SE					
58358-00	USA W-68116 T026N R111W SEC-0004	07/01/1979 SW, LOTS 1-4, S2N2, SE	BK	706	PG1493	WY	SWEETWATER
	T026N R111W SEC-0010	S2N2					
58359-00	USA W-68117 T027N R111W SEC-0006	07/01/1979 S2SW	BK	59	PG	WY	SUBLETTE
	T027N R111W SEC-0017	W2					
	T027N R111W SEC-0020	NW, NWSW, SE, S2SW					
58360-00	USA W-68464 T027N R111W SEC-0028	09/01/1979 SWSW	BK	71	PG 306	WY	SUBLETTE
58960-00	USA WYW-034624 T027N R114W SEC-0023	04/01/1951 SWNE	BK		PG	WY	SUBLETTE
58961-00	USA WYW-034627 T027N R114W SEC-0001	05/01/1948 W2SW	BK		PG	WY	SUBLETTE
58962-00	USA WYW-034630 T027N R114W SEC-0022	10/01/1950 NENE	BK	88	PG 232	WY	SUBLETTE
	T027N R114W SEC-0023	NW, NWNE					
58963-00	STATE OF WYOMING 80-20478 T028N R114W SEC-0036	01/16/1958 N2, N2S2, S2SW	BK	150	PG 286	WY	SUBLETTE
59023-00	USA EV-026083 T029N R113W SEC-0036	10/01/1949 NE	BK	86	PG 283	WY	SUBLETTE
59041-00	STATE OF WYOMING 80-11193 T029N R113W SEC-0036	06/16/1951 ALL	BK	3	PG 300	WY	SUBLETTE
75114-00	USA WY-0311562 T028N R114W SEC-0008	10/01/1964 LOTS 9, 10, 14, 15, 16, 17, 18, 19	BK	38	PG 373	WY	SUBLETTE
	T028N R114W SEC-0008	LOTS 2, 3, 4, 5, 6, 7, 8, 9, 10,					

DENPATH

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
		11, 12, 13, 14, 15, 16, 17, 18, 19, 20			
	T028N R114W SEC-0021	SESW, W2SW			
75116-00	USA WY-51104 T028N R114W SEC-0017	04/01/1966 BK LOT 4	PG	WY	SUBLETTE
	T028N R115W SEC-0012	NW			
75117-00	USA WY-42791 T028N R114W SEC-0005	01/01/1974 BK LOTS, 7, 8, 12	PG	WY	SUBLETTE
	T028N R114W SEC-0021	NESW, N2NW, SENW			
75118-00	USA WY-51103 T028N R114W SEC-0017	11/01/1965 BK LOTS 1, 2, 3, 5, 6, 7, 8, 9, 10, 11 12, 13, 14, 15, 16, 17, 18, 19, AND 20	PG	WY	SUBLETTE
75119-00	USA WY-320213 T028N R114W SEC-0020	11/01/1965 BK LOTS, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 11, 12, 13, 14, 15, 16, 17, 18, 19, AND 20	PG	WY	SUBLETTE
75120-00	USA WY-52811 T028N R114W SEC-0022	12/01/1975 BK NW	PG	WY	SUBLETTE
75123-00	USA WY-38076 T028N R114W SEC-0008	02/01/1973 BK W2SE, E2SE, N2SW	PG	WY	SUBLETTE
	T028N R114W SEC-0010	SW			
75124-00	USA WY-9578 T028N R114W SEC-0003	12/01/1967 BK LOTS 7 THRU 10 LOTS 15 THRU 18	PG	WY	SUBLETTE
	T028N R114W SEC-0004	LOTS 5 THRU 20			
	T028N R114W SEC-0005	NWSE, S2NE, LOTS 5, 6, 13, 20			
	T028N R114W SEC-0009	N2			
	T028N R114W SEC-0010	NW			

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50006-00	USA W-125389 T029N R112W SEC-0019	09/01/1950 LOTS 3 (12.53), 4 (12.13), E/2SW, SWSE LOT 2(12.63), NENE, S2NE N2SE, SESE, SENW	BK		PG	WY	SUBLETTE
50007-00	USA W-0231774 T028N R113W SEC-0002	06/01/1952 S2NE, N2SE, S2SE	BK		PG	WY	SUBLETTE
50009-00	USA W-0231773 T028N R113W SEC-0001	06/01/1952 S2NW, N2SW, S2SW	BK		PG	WY	SUBLETTE
50010-00	USA EV-022755 T028N R113W SEC-0011	10/01/1946 W2	BK		PG	WY	SUBLETTE
50014-00	USA W-10674 T029N R113W SEC-0014 T029N R113W SEC-0016	12/31/1936 SENE, E2SE S2N2, S2	BK	88	PG 776	WY	SUBLETTE
50016-00	USA W-065697 (ROW) T027N R113W SEC-0018	01/01/1958 SENW (ROW)	BK		PG	WY	SUBLETTE
50017-00	USA EV-024756-A T028N R113W SEC-0024	06/01/1946 LOT 2	BK		PG	WY	SUBLETTE
50024-00	USA W-20038 T028N R114W SEC-0033	03/01/1958 SWNE	BK		PG	WY	SUBLETTE
50026-00	USA W-064686 T027N R114W SEC-0012	07/01/1951 NENW, SWSW	BK		PG	WY	SUBLETTE
50043-00	USA W-71775 T023N R112W SEC-0027	11/01/1948 NESW, SE, SESW, S2NE, W2SW	BK		PG	WY	LINCOLN
50044-00	USA W-71776 T023N R112W SEC-0028	11/01/1948 NESW, NW, SE, SESW	BK	32	PG 228	WY	LINCOLN
50045-00	USA W-92875 T023N R112W SEC-0021 T023N R112W SEC-0028	11/01/1948 W2 W2SW	BK	32	PG 228	WY	LINCOLN
50055-00	USA EV-025548 T027N R112W SEC-0026 T027N R112W SEC-0027	01/01/1948 ALL E2	BK		PG	WY	SUBLETTE

[redacted]

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
50056-00	USA W-05923 T022N R112W SEC-0008	06/01/1951 S2	BK	PG	WY	SUBLETTE
50057-00	USA W-45370 T022N R112W SEC-0020	06/01/1951 E2SW, SE, SENW, S2NE	BK	PG	WY	LINCOLN
	T022N R112W SEC-0021	NWSW, SWNW				
50058-00	USA W-45371 T022N R112W SEC-0028	06/01/1951 NWNW	BK	PG	WY	LINCOLN
50060-00	USA W-0319583 T022N R112W SEC-0034	10/01/1965 NW	BK	PG	WY	LINCOLN
50061-00	USA W-05924 T022N R112W SEC-0015	06/01/1951 N2S2, SWSW	BK	PG	WY	LINCOLN
	T022N R112W SEC-0022	N2, S2				
	T022N R112W SEC-0026	NE				
50062-00	USA W-05925 T022N R112W SEC-0026	06/01/1951 N2SE, SWSE, W2	BK	PG	WY	LINCOLN
	T022N R112W SEC-0028	E2, E2W2, SWNW, W2SW				
50063-00	USA W-71772 T022N R112W SEC-0010	06/01/1951 SE, E2SW, NWSW, SWSW	BK	PG	WY	LINCOLN
	T022N R112W SEC-0020	W2W2, NENW, N2NE				
	T022N R112W SEC-0021	N2N2				
50064-00	USA W-71773 T022N R112W SEC-0029	06/01/1951 NWNW	BK	PG	WY	LINCOLN
50072-00	USA EV-024526 T028N R112W SEC-0029	01/01/1955 SENE, W2NE, W2, SE	BK	PG	WY	SUBLETTE
	T028N R112W SEC-0029	E2E2				
50073-00	USA W-035077 T028N R112W SEC-0032	12/01/1965 E2E2	BK	PG	WY	SUBLETTE
50074-00	USA EV-024469 T028N R112W SEC-0017	12/01/1948 N2NE, E2SE, SWSE	BK	PG	WY	SUBLETTE
	T028N R112W SEC-0020	E2NE, W2NE, SE				

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
	T028N R112W SEC-0021	ALL					
50079-00	USA EV-024735 T028N R112W SEC-0006	01/01/1948 W2 LOT 2, E2 LOT 2	BK		PG	WY	SUBLETTE
50080-00	USA EV-026175 T028N R112W SEC-0004	08/01/1950 LOTS 1, 2, 3, 6, 7, 8, 9, 10, 11, SE, E2SW, SWSW	BK		PG	WY	SUBLETTE
50081-00	USA EV-023340 T028N R112W SEC-0008	07/01/1948 NW, W2SW	BK		PG	WY	SUBLETTE
50086-00	USA W-53497 T028N R112W SEC-0008	08/01/1950 E2, E2SW	BK		PG	WY	SUBLETTE
	T028N R112W SEC-0009	N2, S2					
50092-00	USA EV-020363 T028N R113W SEC-0032	07/01/1948 LOTS 2, 5	BK		PG	WY	SUBLETTE
50095-00	USA EV-022281 T028N R113W SEC-0027	07/01/1948 LOTS 1, 4, 5, 7, 8	BK	32	PG 680	WY	SUBLETTE
50096-00	USA EV-022286 T028N R113W SEC-0009	10/01/1948 ALL	BK		PG	WY	SUBLETTE
50098-00	USA EV-023909 T028N R113W SEC-0008	07/01/1948 W2W2	BK	32	PG 37	WY	SUBLETTE
	T028N R113W SEC-0027	LOTS 2, 3					
	T028N R113W SEC-0029	W2NW					
50100-00	USA EV-026536 T028N R113W SEC-0010	08/01/1948 W2	BK		PG	WY	SUBLETTE
50104-00	USA EV-026992 T029N R113W SEC-0027	03/01/1950 SWNW	BK		PG	WY	SUBLETTE
50105-00	USA WY 0618 T029N R113W SEC-0033	06/01/1950 E2	BK		PG	WY	SUBLETTE
50106-00	USA W-0636 T028N R113W SEC-0006	04/01/1950 SW, SWNW	BK		PG	WY	SUBLETTE
50103-00	USA CH-062277 T029N R113W SEC-0028	06/01/1950 S2NE4, SE4	BK		PG	WY	SUBLETTE
50109-00	ST WY 0-7396 T029N R113W SEC-0016	09/16/1948 E2, NW, SW	BK		PG	WY	SUBLETTE

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
50110-00	WILLIAM J MCGINNIS ET AL T028N R113W SEC-0017	07/30/1947 BK 2 PG 162 TRACT 38, (AKA NESW) TRACT 40, (AKA SWSE)		WY	SUBLETTE
50114-00	ST WY #0-2843 T028N R113W SEC-0016	09/16/1944 BK 36 PG 155 ALL (RESURVEY TRACT 37)		WY	SUBLETTE
50115-00	USA W-04732 T028N R113W SEC-0004	02/01/1951 BK PG LOTS 7, 8, S2NW, SW		WY	SUBLETTE
50116-00	USA W-026038-A T029N R113W SEC-0021	02/01/1950 BK 31 PG 206 E2		WY	SUBLETTE
	T029N R113W SEC-0027	NWNW			
	T029N R113W SEC-0028	N2NE			
50117-00	USA W-0195878 T029N R114W SEC-0025	02/01/1962 BK PG E2NE		WY	SUBLETTE
50119-00	USA W-04731 T028N R113W SEC-0005	02/01/1951 BK PG LOTS 5, 6, 7, 8, S2NE, SE, SENW		WY	SUBLETTE
50120-00	ANDERSON L MCGINNIS ET UX T028N R113W SEC-0027	07/30/1947 BK 2 PG 156 PT OF TRACT 40 (W2NW, SENW)		WY	SUBLETTE
	T028N R113W SEC-0028	PT OF TRACT 40 (NENE)			
50121-00	MARY J. HADDENHAM, T028N R113W SEC-0017	07/30/1947 BK PG W2SW, SESW (RESURVEYED AND DESCRIBED AS TRACT 39)		WY	SUBLETTE
50122-00	MARY J (E) HADDENHAM T028N R113W SEC-0017	07/30/1947 BK 2 PG 153 W2SW, SESW (RESURVEYED AND DESCRIBED AS TRACT 39)		WY	SUBLETTE
50123-00	USA EV-025771 T028N R113W SEC-0022	01/01/1948 BK 32 PG 56 LOT 2		WY	SUBLETTE
	T028N R113W SEC-0026	LOT 2, SWNW, W2SW			
50126-00	USA W-48906 T028N R113W SEC-0016	10/01/1948 BK PG LOTS 1 THRU 7		WY	SUBLETTE
	T028N R113W SEC-0017	NWNE			
	T028N R113W SEC-0020	LOTS 2, 3, 4, S2NW			
	T028N R113W SEC-0029	SWSE, SESW			

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
50127-00	USA W-48908 T028N R113W SEC-0020	11/01/1946 BK NWSW		PG	WY	SUBLETTE
50129-00	USA W-70864 T028N R113W SEC-0028	10/17/1980 BK SENE-60 FT R-O-W		PG	WY	SUBLETTE
50148-00	USA EV-09561-B T027N R113W SEC-0017	04/23/1936 BK W2NW		PG	WY	SUBLETTE
50189-00	USA W-0136175 T030N R113W SEC-0026	12/31/1936 BK SW		PG	WY	SUBLETTE
	T030N R113W SEC-0027	E2NE, W2NE				
50190-00	USA W-0136177 T030N R113W SEC-0022	04/01/1951 BK SE	47	PG 103	WY	SUBLETTE
50192-00	USA W-27646 T030N R113W SEC-0010	04/01/1951 BK W2SE, SW, NWNW, E2SE, NE, NENW, S2NW	47	PG 103	WY	SUBLETTE
	T030N R113W SEC-0014	S2SW, SWSE, N2SW, NWSE, SESE, W2NE, NW				
	T030N R113W SEC-0022	NE, E2NW				
50193-00	USA W-27644 T030N R113W SEC-0011	06/01/1950 BK NE, SE		PG	WY	SUBLETTE
	T030N R113W SEC-0024	W2NW, NWSW, S2SW				
50194-00	USA EV-024966 T030N R113W SEC-0023	06/01/1949 BK E2NE, E2NW, E2SE, SW, SWNW, W2NE, W2SE		PG	WY	SUBLETTE
50203-00	USA W 0231789 T029N R112W SEC-0032	06/01/1950 BK W2NW4		PG	WY	SUBLETTE
50204-00	USA EVANSTON 024241 T028N R113W SEC-0001	05/01/1948 BK LOTS 5, 6, 9, 10, 11, SWNE, W2SE	18	PG 92	WY	SUBLETTE
	T028N R113W SEC-0012	LOTS 1-4, W2E2, W2				
	T028N R113W SEC-0013	LOTS 1-3, W2E2, NW				
50208-00	USA W-04628 T030N R113W SEC-0008	02/01/1951 BK E2SE, NE, NW, W2SE		PG	WY	SUBLETTE
	T030N R113W SEC-0017	E2NE, NESE, NWSE, S2SE, W2NE				

DENPAGE1

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
50209-00	USA W-27643 T030N R112W SEC-0030	12/01/1948 BK SENW,E2SW	PG	WY	SUBLETTE
50217-00	USA W-16770 T029N R112W SEC-0006	12/01/1948 BK LOT 5, SENW, S2NE, NWSE	PG	WY	SUBLETTE
	T030N R112W SEC-0030	SWNE, LOTS 1-4, SE			
	T030N R112W SEC-0031	LOTS 3, 4, E2SW, N2SE, SWSE, SESE LOTS 1, 2, E2NW, NE			
50219-00	USA W-053447 T029N R112W SEC-0023	02/01/1950 BK S2SW, SWSE	PG	WY	SUBLETTE
50225-00	USA W-039906 T029N R112W SEC-0024	08/01/1956 BK E/2NW , E/2	PG	WY	SUBLETTE
	T029N R112W SEC-0025	S/2, S/2N/2,N/2NE			
	T029N R112W SEC-0036	ALL			
50226-00	USA W-04101 T030N R112W SEC-0020	03/01/1961 BK E2NE	PG	WY	SUBLETTE
	T030N R112W SEC-0029	NESW, SESW			
50259-00	YOSE CATTLE COMPANY T027N R112W SEC-0003	12/17/1981 BK 64 PG 78 LOTS 2(34.31 ACS); 3(38.72 ACS); 4(39.71 ACS); 5(45.51 ACS); EXCEPTING FRACTIONAL PARTS OF LOTS 3, 4, & 5, MORE FULLY DESCRIBED IN LEASE		WY	SUBLETTE
	T028N R112W SEC-0026	S/2 SW			
	T028N R112W SEC-0034	W/2 W/2; NENW; E/2 SW; W/2 SE; SENE; NESE; LOT 1 (23.57 ACS)			
	T028N R112W SEC-0036	LOT 4(41.92 ACS); W/2 NW; NWSE LOT 8 (36.13 ACS)			
50263-00	USA W-77863 T028N R111W SEC-0019	07/01/1976 BK LOTS 2, 3, 4, E2, E2NENW, SWNENW, E2SW	PG	WY	SUBLETTE
	T028N R111W SEC-0020	E2			
	T028N R111W SEC-0029	SE, NE,			
	T028N R111W SEC-0032	NE, SE			
50266-00	USA W-87038 T029N R112W SEC-0011	09/01/1984 BK SWSW	PG	WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
50289-01	A L MAHAFFEY T026N R112W SEC-0006 T026N R112W SEC-0007	12/26/1956	BK 20 PR PG 282 PART OF SEC 6 & 7 PART OF SEC 6 & 7	WY	LINCOLN
50289-02	BABE PROBASCO ET UX T026N R112W SEC-0006	12/27/1956	BK 21 PG 31 BEGIN 148' N SWSE 36 THEN E 610',THEN S 148', THEN E ON SEC LINE BTWN 36&7 FOR 433', THEN N 836',THEN W 1043.5',THEN S 687' TO POINT OF BEGINNING	WY	LINCOLN
50313-01	HOWARD A MAHAFFEY T026N R112W SEC-0006	12/26/1956	BK 20 PG 278 SEE LEASE FOR METES AND BOUNDS DESCRIPTION	WY	LINCOLN
50314-00	GUY DECKER ET UX T026N R112W SEC-0006	03/17/1957	BK 32 PG 377 LOT 11 OF LOT 8, LOT 1 OF BLOCK 1 OF SECOND ADDITION TO TOWN OF LABARGE	WY	LINCOLN
50317-00	LINCOLN COUNTY #1 T000N R000W SEC-0000	05/06/1957	BK 22PR PG 166 LABARGE TOWNLOTS: ORIG TOWNSITE: TULSA-BK 9 LOTS 4-7; 1ST ADD; TULSA-BK 12, LOTS 13-16 RIVERVIEW ADD-TULSA - BK A, LT16 - BK B, L1-4 - BK C, L13, 20, 36 - BK E, L16, 16, 19 & 20.	WY	LINCOLN
50328-00	LINCOLN COUNTY, WYOMING T000N R000W SEC-0000	05/06/1957	BK 22 PG 172 STREETS & ALLEYS IN LABARGE,WY,ORG PLATTED TULSA, WY,SHOWN ON LINCOLN CO M/B MAP #1&2 SEE LSE FOR LIST OF STREETS & ALLEYS	WY	LINCOLN
50328-00	LINCOLN COUNTY, WYOMING T026N R112W SEC-0006 T026N R112W SEC-0007 T026N R112W SEC-0018 T026N R112W SEC-0019 T026N R112W SEC-0020	05/06/1957	BK 22 PG 176 SEE LEASE FOR METES & BOUNDS DESCRIPTION SEE LEASE FOR METES & BOUNDS DESCRIPTION SEE LEASE FOR METES & BOUNDS DESCRIPTION SEE LEASE FOR METES & BOUNDS DESCRIPTION SEE LEASE FOR METES & BOUNDS DESCRIPTION	WY	LINCOLN
50334-00	USA W-6140 T027N R114W SEC-0002 T027N R114W SEC-0003 T027N R114W SEC-0004 T028N R114W SEC-0034 T028N R114W SEC-0036	06/01/1961	BK PG LOTS 1,2,3,4, S2N2, S2, (ALL) LOTS 1,2,3,4, S2N2, N2S2 LOTS 1,2,3,4, S2N2 S2NE, SENW, S2 SW	WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50338-00	USA W-72405 T027N R114W SEC-0009	06/01/1951 W2NW	BK		PG	WY	SUBLETTE
50339-00	USA W 92223 T027N R114W SEC-0010	07/01/1951 S2NE, NW, E2SW, NWSW, SE, N2NE	BK	66	PG 466	WY	SUBLETTE
	T027N R114W SEC-0011	W2SW, N2, SE, E2SW					
	T027N R114W SEC-0012	W2NW, NWSW					
	T027N R114W SEC-0014	SWNE, NW, S2, N2NE, SENE					
	T027N R114W SEC-0015	NE, E2NW, NWNW					
50340-00	USA W-92222 T027N R114W SEC-0015	10/01/1947 NESW, SE	BK		PG	WY	SUBLETTE
50341-00	USA W-96755 T028N R114W SEC-0027	06/01/1953 SE4	BK		PG	WY	SUBLETTE
50342-00	USA W-96756 T028N R114W SEC-0033	06/01/1951 SE	BK		PG	WY	SUBLETTE
	T028N R114W SEC-0034	N2N2, SWNW					
50382-00	USA W-42781 T027N R111W SEC-0004	01/01/1974 N2	BK		PG	WY	SUBLETTE
	T027N R111W SEC-0005	E2					
	T027N R111W SEC-0008	NE, N2SE, SESE					
	T027N R111W SEC-0009	E2, W2					
50421-00	USA W-20038 T028N R114W SEC-0028	03/01/1969 E/2NE4, NW/NE, NW/SE	BK		PG	WY	SUBLETTE
50423-00	USA W-064586 T028N R114W SEC-0015	06/01/1953 NE, E2SE	BK		PG	WY	SUBLETTE
	T028N R114W SEC-0022	E2NE, SE					
	T028N R114W SEC-0027	W2NE, SENE					
50426-00	USA W-2121 T028N R114W SEC-0026	11/01/1966 SWNE	BK		PG	WY	SUBLETTE
50433-00	THEODORE JORDAN, ET AL T029N R113W SEC-0004	06/19/1964 S2SE4	BK	10	PG 170	WY	SUBLETTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T029N R113W SEC-0009	NE			
	T029N R113W SEC-0010	N2NW, SENW			
50437-00	USA W-19959 T032N R114W SEC-0006	06/01/1969 BK S2NW, N2SW LOTS 3, 4, S2SW	PG	WY	SUBLETTE
50438-00	USA W-06009 T032N R114W SEC-0007	06/01/1961 BK 2 LOTS 1 (10.71), 2 (10.06), S2NE	PG 506	WY	SUBLETTE
50464-00	USA W-0320644 T029N R114W SEC-0033	12/01/1966 BK NWNW	PG	WY	SUBLETTE
50506-00	USA W-38503 T026N R111W SEC-0005	03/01/1973 BK 103 LOTS 1 AND 2, S2NE, SE	PG 402	WY	LINCOLN
	T026N R111W SEC-0008	E2			
50606-00	USA W-57837 T026N R111W SEC-0009	03/01/1973 BK 522 ALL	PG 318	WY	SWEETWATER
56833-00	USA W-66864 T031N R113W SEC-0030	10/01/1984 BK SENW	PG	WY	SUBLETTE
56831-00	USA W-107068 T031N R114W SEC-0013	01/01/1988 BK 80 N2, N2SW, SESW, SE	PG 747	WY	SUBLETTE
	T031N R114W SEC-0014	NW			
	T031N R114W SEC-0023	NESW, S2SW			
	T031N R114W SEC-0024	SW			
	T031N R114W SEC-0026	W2E2, NW, SESE			
57306-00	USA WYW-112656 T029N R112W SEC-0009	06/01/1988 BK SESW, SWSE	PG	WY	SUBLETTE
	T029N R112W SEC-0010	S/2S/2			
	T029N R112W SEC-0015	ALL			
57427-00	USA W-113137 T032N R114W SEC-0025	10/01/1988 BK 81 E/2, SENW, SW	PG 795	WY	SUBLETTE
57543-00	USA W-113659 T026N R113W SEC-0032	12/01/1988 BK 268PR S/2NE, NW, N/2SW, SWSW, SE	PG 89	WY	LINCOLN

OBSOLETE

[redacted] [redacted] [redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
	T026N R113W SEC-0033	SWNW, S/2				
57544-00	USA W-113654 T025N R113W SEC-0017	12/01/1988 ALL	BK 267PR	PG 383	WY	LINCOLN
	T025N R113W SEC-0020	ALL				
	T025N R113W SEC-0021	ALL				
57545-00	USA W-113651 T025N R113W SEC-0004	12/01/1988 NENE	BK 267	PG 391	WY	LINCOLN
	T025N R113W SEC-0005	E2, N2NW				
	T025N R113W SEC-0006	LOTS 1, 6, 10, E2				
	T025N R113W SEC-0007	LOTS 3, 4, 6 THRU 12, NENE, SE, S2NE				
	T025N R113W SEC-0008	NE, N2SE, SW, SWSE, S2NW				
	T025N R113W SEC-0009	NESW, S2SW, W2NW				
57546-00	USA WYW-113644 T028N R112W SEC-0032	12/01/1988 NWSW	BK 82	PG 153	WY	SUBLETTE
57547-00	USA WYW-113645 T029N R112W SEC-0017	12/01/1988 NENW, SWNW, W/2SW	BK 82	PG 165	WY	SUBLETTE
	T029N R112W SEC-0020	NENW				
	T029N R112W SEC-0028	W/2NE, SENE, W/2, SE				
	T029N R112W SEC-0030	NENE				
57548-00	USA W-113661 T029N R113W SEC-0001	12/01/1988 LOT, 2, SWNE	BK 82	PG 250	WY	SUBLETTE
	T029N R113W SEC-0006	LOTS 1 THRU 4				
	T029N R113W SEC-0007	LOT 3, 4, E/2SW, W/2SE, SESE				
57641-00	USA WYW-114579 T027N R112W SEC-0002	02/01/1989 THAT PORTION OF GREEN RIVER RIPARIAN TO LOT 5, BEING MORE PARTICULARY DESCRIBED ON LEASE	BK 82	PG 446	WY	SUBLETTE
57824-00	USA WYW-115856 T028N R112W SEC-0010	06/01/1989 S/2NE, SE	BK 83	PG 364	WY	SUBLETTE
	T028N R112W SEC-0011	SWNW, NWSW				

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
57826-00	USA WYW115961 T030N R113W SEC-0007	06/01/1969 E/2SE	BK 63	PG 373		WY	SUBLETTE
	T030N R113W SEC-0008	NWSW					
	T030N R113W SEC-0018	NENE					
57826-00	USA WYW115960 T028N R113W SEC-0013	06/01/1969 LOT 4	BK 63	PG 378		WY	SUBLETTE
	T028N R113W SEC-0024	LOT 1					
57952-01	DUANE HARWARD ET UX TRUST T026N R112W SEC-0019	04/21/1969 S/2SE, SESW, LESS HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 OF THE REGISTER OF DEEDS, LINCOLN COUNTY, WY	BK 275PR	PG 142		WY	LINCOLN
57952-02	DIAMOND H RANCH, INC T026N R112W SEC-0019	02/28/1969 S/2SE, SESW, LESS HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 AND LESS THE EUBANK FOOTHILL ESTATE, MORE FULLY DESCRIBED AT PLAT #314 OF THE OFFICE OF THE REGISTER OF DEEDS, LINCOLN CO., WY	BK 273PR	PG 486		WY	LINCOLN
57952-03	WILLIAM B SPENCER ET UX T026N R112W SEC-0019	04/21/1969 S/2SE, SESW, LESS A HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 OF OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY	BK 275PR	PG 140		WY	LINCOLN
57952-04	MARY H LAMBERT ET AL T026N R112W SEC-0019	04/21/1969 S/2SE, SESW, LESS A HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 OF OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY	BK 275PR	PG 144		WY	LINCOLN
57952-05	ISABEL H SPENCER TRUST T026N R112W SEC-0019	04/21/1969 S/2SE, SESW, LESS A HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 OF OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY	BK 275PR	PG 148		WY	LINCOLN
57952-06	WILLIAM B SPENCER TRST T026N R112W SEC-0019	04/21/1969 S/2SE, SESW, LESS A HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 OF OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY	BK 275PR	PG 146		WY	LINCOLN
57952-07	JEAN S STEPHENS T026N R112W SEC-0019	04/21/1969 S/2SE, SESW, LESS A HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 OF OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY	BK 275PR	PG 150		WY	LINCOLN
57952-08	GLENISLA HUNTER ET AL T026N R112W SEC-0019	04/21/1969 S/2SE, SESW, LESS A HIGHWAY TRACT, MORE FULLY	BK 275PR	PG 152		WY	LINCOLN

CONTINUED

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
		DESCRIBED IN BOOK 21 AT PAGE 143 OF OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY			
57962-09	LOIS S BRADY T026N R112W SEC-0019	04/21/1989 BK 276PR PG 154 S/2SE, SESW, LESS A HIGHWAY TRACT, MORE FULLY DESCRIBED IN BOOK 21 AT PAGE 143 OF OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY		WY	LINCOLN
57962-10	EUBANK CATTLE COMPANY T026N R112W SEC-0019	06/30/1989 BK 276PR PG 303 TRACT OF LAND IN SESW, S/2SE, KNOWN AS THE EUBANK FOOTHILL ESTATES, RECORDED AT PLAT #314 IN OFFICE OF REGISTER OF DEEDS, LINCOLN CO., WY		WY	LINCOLN
58055-05	MILLER, ROBERT M JR ET UX T029N R112W SEC-0004	06/22/1989 BK 83 PG 679 W/2SW		WY	SUBLETTE
	T029N R112W SEC-0005	E/2SE, SWSE			
	T029N R112W SEC-0008	E/2			
	T029N R112W SEC-0009	W/2W/2			
58186-00	USA WYW-117868 T027N R112W SEC-0002	11/01/1989 BK 86 PG 426 BED OF GREEN RIVER RIPARIAN TO LOTS 6 - 8 ***SEE LEASE FOR MORE COMPLETE DESCRIPTION***		WY	SUBLETTE
	T027N R112W SEC-0003	BED OF GREEN RIVER RIPARIAN TO LOTS 1, 6, 7, 10, 11 ***SEE LEASE FOR MORE COMPLETE DESCRIPTION***			
	T028N R112W SEC-0034	BED OF GREEN RIVER RIPARIAN TO LOT 2 ***SEE LEASE FOR MORE COMPLETE DESCRIPTION***			
58189-00	USA W-117878 T031N R114W SEC-0009	11/01/1989 BK 84 PG 606 S/2		WY	SUBLETTE
	T031N R114W SEC-0010	N/2			
	T031N R114W SEC-0014	N/2SW			
58190-00	USA WYW-117867 T028N R111W SEC-0003	11/01/1989 BK 86 PG 418 SW		WY	SUBLETTE
	T028N R111W SEC-0022	ALL			
	T028N R111W SEC-0027	ALL			
58193-00	STATE OF WY-0000650 T031N R114W SEC-0016	10/02/1989 BK 84 PG 614 W/2		WY	SUBLETTE
58419-00	STATE OF WYOMING #89-00780	12/02/1989 BK 85 PG 389		WY	SUBLETTE

DISPUTE

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING				ST	COUNTY
	T030N R112W SEC-0016	ALL						
58420-00	STATE OF WYOMING #68-00781 T030N R112W SEC-0026	12/02/1988 S/2NE	BK	85	PG	38	WY	SUBLETTE
58421-00	STATE OF WYOMING #68-00782 T030N R112W SEC-0032	12/02/1988 NESE, SWSE	BK	85	PG	383	WY	SUBLETTE
58423-00	USA WY-95121 T030N R112W SEC-0007	11/01/1985 LOTS 2, 3, 4, W/2NE, SENE, SENW, E/2SW, (LESS 6 ACRES	BK	84	PG	623	WY	SUBLETTE
	T030N R112W SEC-0027	SWSE						
	T030N R112W SEC-0032	NWSE						
58424-00	USA WYW-118696 T031N R114W SEC-0005	01/01/1990 LOT 4(41.15), SWNW, NWSW, S/2S/2	BK	86	PG	382	WY	SUBLETTE
	T031N R114W SEC-0008	NE, S/2						
	T031N R114W SEC-0017	ALL						
	T031N R114W SEC-0020	ALL						
58521-00	GORDON W BRAY, ET UX T030N R112W SEC-0026	11/10/1988 W/2SW, SWNW	BK	84	PG	663	WY	SUBLETTE
	T030N R112W SEC-0027	S/2NE, N/2SE, SESE						
	T030N R112W SEC-0034	N/2NE, E/2NW						
58551-00	USA W-106177 T030N R112W SEC-0015	11/01/1987 NWNW	BK		PG		WY	SUBLETTE
	T030N R112W SEC-0017	N/2NW (LESS 1.37 ACRES, MORE OR LESS IN						
	T030N R112W SEC-0020	W/2E/2, SENW, NESW						
58561-01	HELEN JENKINS O'NEIL T030N R112W SEC-0020	12/11/1989 E/2SE	BK	86	PG	91	WY	SUBLETTE
	T030N R112W SEC-0021	NWNE, S/2NE, W/2, SE						
	T030N R112W SEC-0022	NWSW						
	T030N R112W SEC-0028	N/2N/2, S/2NW, S/2						
58561-02	MIRIAM JENKINS BAILEY T030N R112W SEC-0020	12/11/1989 E/2SE	BK	86	PG	87	WY	SUBLETTE

[redacted]

LEAS[redacted] NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
	T030N R112W SEC-0021	NWNE, S/2NE, W/2, SE			
	T030N R112W SEC-0022	NWSW			
	T030N R112W SEC-0028	N/2N/2, S/2NW, S/2			
59561-03	JOHN PERRY BARLOW, ET UX T030N R112W SEC-0020	12/11/1980 BK 86 PG 98 E/2SE		WY	SUBLETTE
	T030N R112W SEC-0021	NWNE, S/2NE, W/2, SE			
	T030N R112W SEC-0022	NWSW			
	T030N R112W SEC-0028	N/2N/2, S/2NW, S/2			
59562-00	BRUCE E. JONES, ET UX T025N R113W SEC-0006	11/13/1980 BK 281PR PG 592 LOTS 3(17.86), 4(17.00), 5(40.00), 7(40.00), 11(40.00)		WY	LINCOLN
59157-01	PAUL HOMER, ET UX T030N R112W SEC-0032	05/22/1980 BK 86 PG 559 S/2 SW/4		WY	SUBLETTE
59157-02	WILLIAM CHARLES CHRISTY T030N R112W SEC-0032	05/23/1980 BK 86 PG 571 S/2 SW/4		WY	SUBLETTE
59157-03	KIMBERLY S CHRISTY, ET UX T030N R112W SEC-0032	05/22/1980 BK 86 PG 567 S/2 SW/4		WY	SUBLETTE
59157-04	CATHLEEN E CHRISTY THOMAS T030N R112W SEC-0032	05/22/1980 BK 86 PG 563 S/2 SW/4		WY	SUBLETTE
59162-00	USA WYW-112980 T030N R113W SEC-0013	07/01/1988 BK N/2 NE/4 AND SE/4 NE/4	PG	WY	SUBLETTE
	T030N R113W SEC-0025	ALL			
	T030N R113W SEC-0026	N/2 AND SE/4			
	T030N R113W SEC-0036	W/2			
59196-00	USA WYW-121428 T031N R114W SEC-0012	10/01/1980 BK 86 E2	PG 718	WY	SUBLETTE
75002-00	USA WY-107088 T024N R114W SEC-0004	01/01/1988 BK LOT 13	PG	WY	LINCOLN
	T024N R114W SEC-0008	NE, SW			
	T024N R114W SEC-0017	N2, SW			
	T024N R114W SEC-0020	N2, N2S2, S2SW			

DENVER1

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING		ST	COUNTY
75004-00	USA WYW-122224 T025N R112W SEC-0027	11/01/1990 BK NENE, LOTS 1, 2, 6		PG	WY	LINCOLN
75025-01	ELIZABETH D BENNETT T025N R112W SEC-0005	06/01/1990 BK 291PR LOTS 9(1.50), 13(43.03), NWSE, AND THE RIPARIAN RIGHTS TO LOTS 9 & 13		PG 311	WY	LINCOLN
	T025N R112W SEC-0008	NENW, LOT 1				
75025-02	DORISE E HOUSLEY T025N R112W SEC-0005	10/24/1990 BK 291PR LOTS 9(21.50), 13(43.03), NWSE, AND THE RIPARIAN RIGHTS TO LOTS 9 & 13		PG 456	WY	LINCOLN
	T025N R112W SEC-0008	NENW, LOT 1				
75025-03	DENESE STACY T025N R112W SEC-0005 T025N R112W SEC-0008	10/24/1990 BK 291PR LOTS 9(21.50), 1343.03), NWSE, AND THE RIPARIAN RIGHTS TO LOTS 9 & 13 NENW, LOT 1		PG 398	WY	LINCOLN
75025-04	ALVIN MARX, ET UX T025N R112W SEC-0005	10/24/1990 BK 291PR LOTS 9(21.50), 13(43.03), NWSE, AND THE RIPARIAN RIGHTS TO LOTS 9 & 13		PG 638	WY	LINCOLN
	T025N R112W SEC-0008	NENW, LOT 1				
75025-05	ERWIN MARX, ET UX T025N R112W SEC-0005	10/24/1990 BK 291PR LOTS 9(21.50), 13(43.03), NWSE, AND THE RIPARIAN RIGHTS TO LOTS 9 & 13		PG 453	WY	LINCOLN
	T025N R112W SEC-0008	NENW, LOT 1				
75025-06	DOROTHY J MC GINNIS, ET VIR T025N R112W SEC-0005	10/24/1990 BK 291PR LOTS 9(21.50), 13(43.03), NWSE, AND THE RIPARIAN RIGHTS TO LOTS 9 & 13		PG 396	WY	LINCOLN
	T025N R112W SEC-0008	NENW, LOT 1				
75025-07	ELDON E MARX, ET UX T025N R112W SEC-0005	10/24/1990 BK 291PR LOTS 9(21.50), 13(43.03), NWSE, AND THE RIPARIAN RIGHTS TO LOTS 9 & 13		PG 384	WY	LINCOLN
	T025N R112W SEC-0008	NENW, LOT 1				
75026-00	RUBY D JETKOSKI, ET AL T025N R112W SEC-0027	06/13/1990 BK 288PR LOTS 4(21.68), 5(36.03), 9(25.66), 10(39.93), AND ALL RIPARIAN RIGHTS TO SAID LOTS, S2SW, W2SE		PG 92	WY	LINCOLN
	T025N R112W SEC-0028	LOTS 8(37.79), 9(14.07)				

[redacted]

LEA[redacted] NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
75034-00	USA WYW-109619 (ROW) T026N R111W SEC-0005	12/28/1988	BK PG	WY	LINCOLN
		SESW, THE RIGHT-OF-WAY IS 50 FEET WIDE, 1749 FEET LONG			
		SWSE, THE RIGHT-OF-WAY IS 50 FEET WIDE, 1749 FEET LONG			
	T026N R111W SEC-0008	NENW, THE RIGHT-OF-WAY IS 50 FEET WIDE, 1749 FEET LONG			
75035-01	BRUCE E JONES, ET UX T025N R112W SEC-0000	06/09/1990	BK 286PR PG 86	WY	LINCOLN
		A PARCEL OF LAND CONSISTING OF THOSE PORTIONS OF NWNW OF SECTION 29, THE W/2W/2 OF SECTION 20, AND THE SWSW OF SECTION 17, AFORESAID TOWNSHIP AND RANGE, LYING EAST OF THE FOLLOWING DESCRIBED LINE (SAID LINE BEING THE WESTERLY RIGHT OF WAY BOUNDARY OF THE PROPOSED RELOCATED WYOMING STATE HIGHWAY #189): BEGINNING AT A POINT ON THE SOUTH LINE OF SAID NWNW OF SECTION 29, WHENCE THE NW CORNER OF SAID SECTION 29 BEARS N 40 DEGREES 00' W, 1747'; THENCE ALONG A REGULAR CURVE TO THE RIGHT (THE TANGENT TO THE CURVE AT SAID POINT BEING N 39 DEGREE 55' WEST), HAVING A RADIUS OF 4407.37 FEET FOR AN ARC DISTANCE OF 4791.5'; THENCE N 22 DEGREE 20' EAST, 1346.8 FEET; THENCE ALONG A REGULAR CURVE TO THE LEFT WITH A RADIUS OF 3744.7' FOR AN ARC DISTANCE OF 2019.2'; THENCE N 81 DEGREE 26' EAST 15 FEET TO A POINT IN SAID SWSW OF SECTION 17, SAID POINT BEING ON THE WESTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY #189 AS NOW CONSTRUCTED, WHENCE THE SW CORNER OF SECTION 17 BEARS SOUTH 47 DEGREE 12' WEST 1661.7'			
	T025N R112W SEC-0008	THOSE PORTIONS OF LOTS 3, 6, AN 7 LYING EAST OF THE EASTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY # 189			
	T025N R112W SEC-0017	THAT PORTION OF THE SWNW AND NWSW LYING WEST OF THE WESTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY #189; AND THAT PORTION OF THE SWSW LYING WEST OF THE WESTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY #189; AND NORTH OF THE ACCESS DIRT ROAD LOTS 2(17.72), 3(28.79), 6(37.36), AND THOSE PORTIONS OF THE SESW, W/2NW AND NWSW, LYING EAST OF THE EASTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY #189			
	T025N R112W SEC-0018	SENE, NESE, AND THAT PORTION OF THE SESE LYING NORTH OF THE ACCESS ROAD			
	T025N R112W SEC-0020	LOTS 2(29.19), 5(9.29), 9(29.12), 10(23.65), NWSE			
	T025N R112W SEC-0021	LOT 1			
	T025N R112W SEC-0027	LOT 3			
	T025N R112W SEC-0028	LOTS 3-7			
	T025N R112W SEC-0029	LOTS 1, 2, 7			
75035-02	CECIL R JONES, ET UX T025N R112W SEC-0000	06/09/1990	BK 286PR PG 89	WY	LINCOLN
		A PARCEL OF LAND CONSISTING OF THOSE PORTIONS OF			

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
			NWNW OF SECTION 29, THE W/2W/2 OF SECTION 20, AND THE SWSW OF SECTION 17, AFORESAID TOWNSHIP AND RANGE, LYING EAST OF THE FOLLOWING DESCRIBED LINE (SAID LINE BEING THE WESTERLY RIGHT OF WAY BOUNDARY OF THE PROPOSED RELOCATED WYOMING STATE HIGHWAY #189): BEGINNING AT A POINT ON THE SOUTH LINE OF SAID NWNW OF SECTION 29, WHENCE THE NW CORNER OF SAID SECTION 29 BEARS N 40 DEGREES 00' W, 1747'; THENCE ALONG A REGULAR CURVE TO THE RIGHT (THE TANGENT TO THE CURVE AT SAID POINT BEING N 39 DEGREE 56' WEST), HAVING A RADIUS OF 4407.37 FEET FOR AN ARC DISTANCE OF 4791.6'; THENCE N 22 DEGREE 20' EAST, 1346.8 FEET; THENCE ALONG A REGULAR CURVE TO THE LEFT WITH A RADIUS OF 3744.7' FOR AN ARC DISTANCE OF 2019.2'; THENCE N 81 DEGREE 26' EAST 15 FEET TO A POINT IN SAID SWSW OF SECTION 17, SAID POINT BEING ON THE WESTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY #189 AS NOW CONSTRUCTED, WHENCE THE SW CORNER OF SECTION 17 BEARS SOUTH 47 DEGREE 12' WEST 1661.7'		
	T028N R112W SEC-0008		THOSE PORTIONS OF LOTS 3, 6, AN 7 LYING EAST OF THE EASTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY # 189		
	T028N R112W SEC-0017		LOTS 2(17.72), 3(28.79), 6(37.38), AND THOSE PORTIONS OF THE SESW, W/2NW AND NWSW, LYING EAST OF THE EASTERLY RIGHT OF WAY BOUNDARY OF WYOMING STATE HIGHWAY #189 ***SEE SECTION 0000 FOR ACREAGE***		
	T028N R112W SEC-0019		SENE, NESE, AND THAT PORTION OF THE NENE LYING AND BEING SITUATE WESTERLY OF THE W RIGHT OF WAY LINE OF STATE HIGHWAY #189, AND BOUNDED ON THE N BY THAT CERTAIN LINE AS DEEDED IN BOOK 84 PHOTOSTATIC RECORDS AT PAGE 208 IN LINCOLN COUNTY, WY		
	T028N R112W SEC-0020		THAT PORTION OF THE W/2W/2 LYING AND BEING SITUATE WESTERLY OF THE W RIGHT OF WAY LINE OF STATE HIGHWAY #189, AND BOUNDED ON THE N BY THAT CERTAIN RIGHT OF WAY CENTER LINE AS DEEDED IN BOOK 84 PHOTOSTATIC RECORDS AT PG 208, LINCOLN CO, WY LOTS 2(28.19), 5(9.28), 9(28.12), 10(23.66), NWSE		
	T028N R112W SEC-0021		LOT 1		
	T028N R112W SEC-0027		LOT 3		
	T028N R112W SEC-0028		LOTS 3-7		
	T028N R112W SEC-0029		THAT PORTION OF THE NWNW LYING AND BEING SITUATE WESTERLY OF THE W RIGHT OF WAY LINE OF STATE HIGHWAY #189, LOTS 1, 2, 7		
75044-00	USA WYW-82343 T030N R113W SEC-0006	02/01/1983 BK	PG	WY	SUBLETTE
		N2SE, SWSE			
	T030N R113W SEC-0007	NE			

DEPARTI

LEA [redacted] NUMBER	LESSOR	LEASE DATE	RECORDING	ST	COUNTY
75046-00	ARDATH E HARMISON T026N R112W SEC-0008	11/06/1990	BK 292 PG 594 LOTS 4, 5, AND 6	WY	LINCOLN
	T025N R112W SEC-0017		LOT 1 AND NWNE		
75046-00	USA WYW-113668 T026N R114W SEC-0001	12/01/1968	BK PG LOTS 1-6, 8-11, 13-18, AND W/2	WY	LINCOLN
	T026N R114W SEC-0002		N2, SE		
	T026N R114W SEC-0003		ALL		
	T026N R114W SEC-0034		TOWNSHIP 25 1/2N-RANGE 114W LOTS 1, 2, 3, 4		
	T025N R114W SEC-0035		TOWNSHIP 25 1/2N-RANGE 114W LOTS 3, 4		
75111-00	USA WYW-125000 T027N R112W SEC-0003	10/01/1981	BK 87 PG 720 LOTS 1, 6, 7, 10, 11	WY	SUBLETTE
75116-00	USA W-29615 T026N R114W SEC-0006	12/01/1970	BK PG SWSE E - RECORD TITLE	WY	SUBLETTE
75121-00	USA WY-43217 T026N R114W SEC-0006	02/01/1974	BK PG LOT 1	WY	SUBLETTE
75122-00	USA WY-6317 T026N R114W SEC-0005	07/01/1967	BK PG LOT 11	WY	SUBLETTE
75127-00	USA WY-320214 T026N R114W SEC-0004	11/01/1966	BK PG N2, N2S2, LOTS 1-4	WY	SUBLETTE
	T026N R114W SEC-0005		N2, N2S2, LOTS 1-4		
75171-00	STATE OF WYOMING 88-00105 T026N R113W SEC-0022	02/02/1988	BK PG S2SW	WY	LINCOLN
75173-00	USA WYW-128688 T024N R114W SEC-0007	05/01/1982	BK PG NE	WY	LINCOLN
	T024N R114W SEC-0008		NW		
	T024N R114W SEC-0021		SW		

[redacted]

LEASE NUMBER	LESSOR	LEASE DATE	RECORDING			ST	COUNTY
50029-00	USA EV-026176-B T030N R113W SEC-0032	08/01/1950 NENE	BK		PG	WY	SUBLETTE
50031-00	USA W-21127 T030N R113W SEC-0027 T030N R113W SEC-0034	12/31/1938 NW4, S2 N2	BK		PG	WY	SUBLETTE
50033-00	USA W-21128 T030N R113W SEC-0022	04/01/1951 SW	BK		PG	WY	SUBLETTE
50188-00	USA W-05991 T030N R113W SEC-0003 T030N R113W SEC-0004	06/01/1951 LOTS 1(40.05), 2(39.99), 3(39.95), 4(39.90) LOTS 1(39.86), 2(39.90)	BK 34		PG 174	WY	SUBLETTE
50271-00	USA W-044101 T028N R113W SEC-0017 T028N R113W SEC-0020 T028N R113W SEC-0021	10/01/1980 E2 N2 N2	BK		PG	WY	LINCOLN
57542-00	USA WYW-113640 T027N R111W SEC-0012 T027N R111W SEC-0013 T027N R111W SEC-0024	12/01/1988 N/2, E/2SW, SE N/2 N/2, SW	BK 82		PG 160	WY	SUBLETTE
57575-00	USA WYW-114336 T031N R113W SEC-0030	03/01/1979 SE, S2NE	BK		PG	WY	SUBLETTE
57607-00	MICKELSON, GORDON ET UX T031N R113W SEC-0019	11/01/1988 S2NE	BK	82	PG 289	WY	SUBLETTE
58006-00	USA WYW-116386 T031N R113W SEC-0028 T031N R113W SEC-0033	10/01/1984 NESW SENE	BK		PG	WY	SUBLETTE
58083-00	ALSADE, LTD. T031N R113W SEC-0029	09/09/1988 EXISTING ACCESS ROAD LOCATED: SWSE, NWSW, SWNW EITHER SIDE OF CENTERLINE, FOR THE PURPOSE OF INGRESS AND EGRESS ONLY	BK		PG	WY	SUBLETTE
58187-00	USA W-117866	11/01/1988	BK	84	PG 587	WY	SUBLETTE

[redacted]	T031N R113W SEC-0020	[redacted]/2SW, N/2SE, SWSE					[redacted]	
	T031N R113W SEC-0021	SWNW, NESW, W/2SE						
	T031N R113W SEC-0028	N/2NW						
75048-00	USA W-107067 T026N R114W SEC-0024	02/01/1968 LOTS 1-12, W/2	BK		PG		WY	SUBLETTE
75256-00	USA EV-023768 T026N R113W SEC-0020	12/01/1947 SWSW	BK	31	PG 429		WY	SUBLETTE
75257-00	USA EV-022879 T026N R113W SEC-0019	07/01/1947 LOTS 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	BK	30	PG 545		WY	SUBLETTE
75258-00	USA EV-023328 T026N R113W SEC-0030	10/01/1948 N2NE	BK	33	PG 637		WY	SUBLETTE
75259-00	USA EV-023563 T026N R113W SEC-0030	06/01/1948 S2NE	BK	33	PG 193		WY	SUBLETTE
75260-00	USA WY-01496 T026N R113W SEC-0018	02/01/1950 LOTS 11, 12, 13, 14, 15, 16, 17, 18, (W2SE)	BK	34	PG 83		WY	SUBLETTE
75237-00	ST WY-86-00117 T026N R112W SEC-0016	02/02/1966 NW, NWNE, S2NE, S2	BK	236	PG 470		WY	LINCOLN

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the 64

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Lynn A. Sawyer
   Street: 693 Dublin Drive
   City, State, Zip Code: Hartford, WI 53027

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9006 -459 *Sale Date (m/d/y): 06 / 05 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

Amount remitted: Filing fee $ 75.00 Rental fee $ 2877 Total acres applied for 1917.040
Total $ 2952

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

24770
247706

SEE ATTACHED

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 026 PAGE 624
FEES 16.00
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J Poteet
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) JUN 25 1990 (Date)

EFFECTIVE DATE OF LEASE JUL 1 1990

(Continued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of June, 19 90. Lynn A. Sawyer

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on of before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/86009

WYW120778 1917.040 Acres
T.029ON, R.110OW, 06th PM, WY
sec. 004 LOTS 1-4;
004 S2N2,S2;
009 ALL;
010 ALL;
Sublette County

1. SURFACE DISTURBANCE STIPULATION (used on all leases)

Surface disturbance will be prohibited in any of the following areas or conditions. Modifications to this limitation may be approved in writing by the Authorized Officer.

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated, frozen, or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

2. WILDLIFE STIPULATION - Winter habitat only applies to this lease.

   a. To protect important big game ungulate winter habitat, drilling and other surface disturbing activity will not be allowed during the period from November 15 to April 30 within certain areas encompassed by this lease. The same criteria applies to elk calving areas from the period of May 1 to June 30. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

70

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Lynn A. Sawyer
   Street: 693 Dublin Drive
   City, State, Zip Code: Hartford, WI 53027

---

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: WY-9006-460 *Sale Date (m/d/y): 06 / 05 / 90

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ 75.00 Rental fee $ 2466 Total acres applied for 1643.270
Total $ 2541

DO NOT WRITE BELOW THIS LINE

---

3. Land included in lease:

247707

T. R. Meridian State County

SEE ATTACHED

RECORDED Aug 5 19 94 4:00 PM
IN BOOK 98 R96 PAGE 70
FEES 22.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By TRACEY L FIELDS

Total acres in lease _____

Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J Poteet
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title)

JUN 25 1990 (Date)

EFFECTIVE DATE OF LEASE JUL 1 1990

FOR LESSEE

(Continued on reverse)

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of June, 19 90. Lynn A. Lawyer

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/86009

WYW120779 1643.270 Acres
T.0290N, R.1100W, 06th PM, WY
sec. 005 LOTS 1-4;
005 S2N2,S2;
006 LOTS 1,2,7,9;
006 SENE,SESW,SE;
007 LOTS 1-4;
007 E2,E2W2;
Sublette County

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

06046 | Serial No. WYW120779

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Lynn A. Sawyer
Street 693 Dublin Drive
City, State, Zip Code [redacted]ford, WI 53027 [redacted] [redacted]

1. SURFACE DISTURBANCE STIPULATION (used on all leases)

Surface disturbance will be prohibited in any of the following areas or conditions. Modifications to this limitation may be approved in writing by the Authorized Officer.

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated, frozen, or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

2. WILDLIFE STIPULATION - Winter habitat only applies to this lease.

a. To protect important big game ungulate winter habitat, drilling and other surface disturbing activity will not be allowed during the period from November 15 to April 30 within certain areas encompassed by this lease. The same criteria applies to elk calving areas from the period of May 1 to June 30. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

2. WILDLIFE STIPULATION

b. To protect important raptor and/or sage and sharp-tailed grouse nesting habitat, drilling and other surface disturbing activity will not be allowed during the period from February 1 to July 31 within certain areas encompassed by this lease. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

3. SPECIAL RESOURCE PROTECTION STIPULATION

d. In order to protect Special flood hazard area, the District Manager reserves the right to prohibit surface disturbance within lots 2, 7 sec. 6. This limitation does not apply to operation and maintenance of producing wells. Modifications to this limitation may be approved in writing by the Authorized Officer.

GUIDANCE:

The SPECIAL RESOURCE PROTECTION STIPULATION is intended for use only in the few very specialized, site-specific situations where one of the other three general stipulations will not adequately address the concern. The resource value, location, and specific restriction must be clearly identified. A detailed plan addressing mitigation and special restrictions on development will be required prior to development and will become a condition for approval in the Application for Permit to Drill or Sundry Notice.

3. SPECIAL RESOURCE PROTECTION STIPULATION

f. In order to protect the occupied dwellings, the District Manager reserves the right to prohibit surface disturbance within 1/4 mile of the occupied dwellings, wherever they occur. This limitation does not apply to operation and maintenance of producing wells. Modifications to this limitation may be approved in writing by the Authorized Officer.

GUIDANCE:

The SPECIAL RESOURCE PROTECTION STIPULATION is intended for use only in the few very specialized, site-specific situations where one of the other three general stipulations will not adequately address the concern. The resource value, location, and specific restriction must be clearly identified. A detailed plan addressing mitigation and special restrictions on development will be required prior to development and will become a condition for approval in the Application for Permit to Drill or Sundry Notice.

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended [redacted] ented (30 U.S.C. 181 et seq.), the Mineral [redacted] Acquired Lands of 1947, as amended (30 U.S.C. [redacted] ttorney General's Opinion of April 2, 1941 (40 Op. [redacted] 1), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Lynn A. Sawyer
   Street: 693 Dublin Drive
   City, State, Zip Code: Hartford, WI 53027

---

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: WY-9006-461 *Sale Date (m/d/y): 06 / 05 / 90

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ 75.00 Rental fee $ 2880 Total acres applied for 1920
Total $ 2955

DO NOT WRITE BELOW THIS LINE

---

3. Land included in lease:

T. R. Meridian State County

24770

SEE ATTACHED

RECORDED Aug. 5, 1994 4:02PM
IN BOOK 98 M6 PAGE 79
FEES 20.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexta

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J Poteet
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) JUN 25 1990 (Date)

EFFECTIVE DATE OF LEASE JUL 1 1990

(Continued on reverse)

FOR LESSEE

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of June, 19 90. Lynn A. Sawyer

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations- To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1985—473 017/86009

[redacted] [redacted] [redacted]

WYW120780 1920.000 Acres
T.0290N, R.1100W, 06th PM, WY
sec. 015 ALL;
021 ALL;
022 ALL;
Sublette County

1. SURFACE DISTURBANCE STIPULATION (used on all leases)

Surface disturbance will be prohibited in any of the following areas or conditions. Modifications to this limitation may be approved in writing by the Authorized Officer.

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated, frozen, or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

2. WILDLIFE STIPULATION - Winter habitat only applies to this lease.

a. To protect important big game ungulate winter habitat, drilling and other surface disturbing activity will not be allowed during the period from November 15 to April 30 within certain areas encompassed by this lease. The same criteria applies to elk calving areas from the period of May 1 to June 30. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

2. WILDLIFE STIPULATION

b. To protect important raptor and/or sage and sharp-tailed grouse nesting habitat, drilling and other surface disturbing activity will not be allowed during the period from February 1 to July 31 within certain areas encompassed by this lease. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

[redacted] [redacted] [redacted]

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

(June 1988)

DEPARTMENT OF THE INTERIOR 86
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

Serial No.
WYW120782

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Lynn A. Sawyer
   Street: 693 Dublin Drive
   City, State, Zip Code: Hartford, WI 53027

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9006 -463 *Sale Date (m/d/y): 06 / 05 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

Amount remitted: Filing fee $ 75.00 Rental fee $ 3480 Total acres applied for 2320
Total $ 3555

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

247709

SEE ATTACHED

RECORDED Aug 5, 1994 4:00 PM
IN BOOK 98 Q26 PAGE 86
FEES 16.00
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J Petet
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title)

JUN 25 1990 (Date)

EFFECTIVE DATE OF LEASE JUL 1 1990

(Continued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of June, 19 90. Lynn A. Sawyer

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on of before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988–573-017/98009

WYW120782 2320.000 Acres
T.0290N, R.1100W, 06th PM, WY
sec. 027 ALL;
028 ALL;
029 SWSW;
033 SENW,S2;
034 ALL;
Sublette County

1. SURFACE DISTURBANCE STIPULATION (used on all leases)

Surface disturbance will be prohibited in any of the following areas or conditions. Modifications to this limitation may be approved in writing by the Authorized Officer.

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated, frozen, or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

2. WILDLIFE STIPULATION

b. To protect important raptor and/or sage and sharp-tailed grouse nesting habitat, drilling and other surface disturbing activity will not be allowed during the period from February 1 to July 31 within certain areas encompassed by this lease. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

[redacted] [redacted] [redacted]

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

(June 1988)

DEPARTMENT OF THE INTERIOR 92
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

WY W 117450

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: MIDLAND ENERGY INVESTORS
   Street: P. O. BOX 3146
   City, State, Zip Code: MIDLAND, TEXAS 79702

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No. WY 8908-599 *Sale Date (m/d/y): 8 / 1 / 89
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

Amount remitted: Filing fee $ 75.- Rental fee $ 1920.- Total acres applied for 1270
Total $ 1995.-

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

247710

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 M6 PAGE 92
FEES 14.00
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title)

AUG 23 1989 (Date)

EFFECTIVE DATE OF LEASE SEP 1 1989

(Continued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 2 day of Aug, 19 89. MIDLAND ENERGY INVESTORS

BY: [signature]

PARTNER (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201 966 - 615/86760

WYW-117450 1280.000 Acres
T.0290N, R.1100W, 06th PM, WY
sec. 023 ALL;
024 ALL;
Sublette County

b[redacted] Authorized Officer. [redacted] [redacted]

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated, frozen, or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other mineral lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee, or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor, or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

(October 1992)

[redacted]

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEM[redacted]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

[redacted]

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

1. Name: Hoonan Thomas J
   Street: 1300 Manor Dr
   City, State, Zip Code: Casper WY 82609

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 029ON R. 110W 06th Meridian WY State Sublette County

sec 001 LOTS 1-4;
001 S2N2 S2;
012 ALL;

247711

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 Misc PAGE 97
FEES 18.00 Mary COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Soxton

Total acres in lease 1278.440
Rental retained $ 1918.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (ten years)

Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

FOR LESSEE

(continued on reverse)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____.

_____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease. $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective par[redacted]

[redacted] [redacted] [redacted]

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

[redacted] [redacted] [redacted]

WYW132401

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Zone A (100 year) flood hazard area as designated by HUDwill be restricted or prohibited unless the operator and **surface managing agency arrive at an acceptable plan for mitigation of** anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Floodplain Overlay;

For the purpose of:

(3) protecting riparian, water quality, and floodplain values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132401

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Cirsium aridum (Cedar Rim thistle), Oryzopsis contracta (contracted ricegrass);

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

1. Name
Street 1300 Manor Dr
City, State, Zip Code Casper WY 82609

104

on or before the anniversary date
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 029ON R. 110OW 06th Meridian WY State Sublette County

sec 013 ALL;
014 ALL;

247712

RECORDED Aug 5, 1994 4:00 PM
IN BOOK 98 0+8 PAGE 104
FEES 22.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sakton

Total acres in lease 1280.000
Rental retained $ 1920 00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☒ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

FOR LESSEE

(Continued on reverse)

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 _____

_____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land; air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

[redacted] [redacted] [redacted]

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

WYW132402

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Nov 15 to Apr 30;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #1;

For the purpose of (reasons):

(3) protecting big game crucial winter range.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132402

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Zone A (100 year) flood hazard area as designated by HUD will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Floodplain Overlay;

For the purpose of:

(3) protecting riparian, water quality, and floodplain values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132402

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use between Feb 1 and July 31 within a radius of up to 1 mile of occupied and/or active raptor nest sites will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #2 or as determined by a pre-disturbance raptor nest survey;

For the purpose of:

(3) protecting raptor nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132402

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Cirsium aridum (Cedar Rim thistle), Oryzopsis contracta (contracted ricegrass);

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

(October 1992)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Noonan Thomas J
   Street 1300 Manor Dr
   City, State, Zip Code Casper. WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 029ON R. 110W 06th Meridian WY State Sublette County
sec 033 NE;

247713

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 Q46 PAGE 113
FEES 18.00
SUBLETTE COUNTY CLERK
By Cathy Sartor
COUNTY CLERK

Total acres in lease 160.000
Rental retained $ 240.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

(continued on reverse)

FOR LESSEE

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective par[illegible]

[redacted] [redacted] [redacted]

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

[redacted] [redacted] [redacted]

WYW132403

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use between Feb 1 and July 31 within a radius of up to 1 mile of occupied and/or active raptor nest sites will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #2 or as determined by a pre-disturbance raptor nest survey;

For the purpose of:

(3) protecting raptor nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132403

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Cirsium aridum (Cedar Rim thistle), Oryzopsis contracta (contracted ricegrass);

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the 120

READ INSTRUCTIONS BEFORE COMPLETING

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

1. Name Hoonan Thomas J
   Street 1300 Manor Dr
   City, State, Zip Code Casper WY 82609

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 035ON R. 110OW 06th Meridian WY State Sublette County

sec 009 N2 N2SW SESW SE;
011 NE NWSE;
012 W2NW;

247714
247714

RECORDED Aug 5, 1994 4:00 PM
IN BOOK 98 Misc 946 PAGE 120
FEES 22.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Johnston

Total acres in lease 920.000
Rental retained $ 1380.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

FOR LESSEE

(Continued on reverse)

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____.

_____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

WYW132404

NO SURFACE OCCUPANCY STIPULATION - NSO

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description).

(1) Sec 9: NWSW;

For the purpose of:

(2) protecting a Zone A (100 year) flood hazard area as designated by HUD.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132404

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Nov 15 to Apr 30;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #1, excluding areas protected by the NSO;

For the purpose of (reasons):

(3) protecting big game crucial winter range.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132404

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #2, excluding areas protected by the NSO;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132404

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use between Feb 1 and July 31 within a radius of up to 1 mile of occupied and/or active raptor nest sites will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Lease Stipulation Overlay #2 or as determined by a pre-disturbance raptor nest survey, excluding areas protected by the NSO;

For the purpose of:

(3) protecting raptor nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

The undersigned *(reve[redacted]* ...se all or any of the lands in Item 2 that are available ... lease pursuant to the Mineral Leasing Act of 1920, as amende[redacted] ...upple...nted (30 U.S.C. 181 et seq.), the Mineral L...sing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Noonan Thomas J
   Street: 1300 Manor Dr
   City, State, Zip Code: Casper WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 032[illegible]N R. 112[illegible]W 06th Meridian WY State Sublette County

sec 017 E2 NENW SWNW W2SW;
019 E2;

247715

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 026 PAGE 129
FEES 26.00
SUBLETTE COUNTY CLERK
COUNTY CLERK
By Cathy Saxton

Total acres in lease 800 000 1200 00
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

FOR LESSEE

(Continued on reverse)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____.

_____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective pa[redacted]

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

[redacted] [redacted] [redacted]

WYW132412

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Nov 15 to Apr 30;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #1;

For the purpose of (reasons):

(3) protecting big game crucial winter range.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132412

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) entire lease;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132412

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within 1/4 mile of a sage/sharp-tailed grouse strutting/dancing ground will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale Oil and Gas Lease Stipulation Overlay #2;

For the purpose of:

(3) protecting sage/sharp-tailed grouse breeding habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132412

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within 1/2 mile of active sage grouse leks between midnight and 9:00 AM from March 1 to May 15 will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts. This may include development, operations and maintenance of facilities;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #2;

For the purpose of:

(3) protecting sage grouse breeding activities.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132412

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Zone A (100 year) flood hazard area as designated by HUD will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Floodplain Overlay;

For the purpose of:

(3) protecting riparian, water quality, and floodplain values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132412

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

140

Serial No. WYW132413

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Noonan Thomas J
   Street 1300 Manor Dr
   City, State, Zip Code Casper, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 032ON R. 112OW 06th Meridian WY State Sublette County
sec 031 E2;

247716

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 PAGE 140
FEES 22.00
SUBLETTE COUNTY CLERK
By Cathy Sexton COUNTY CLERK

Total acres in lease 320.000
Rental retained $ 480.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

FOR LESSEE

(Continued on reverse)

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

[redacted] [redacted] [redacted]

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

WYW132413

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Nov 15 to Apr 30;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #1;

For the purpose of (reasons):

(3) protecting big game crucial winter range.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132413

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #2;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132413

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Zone A (100 year) flood hazard area as designated by HUD will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Floodplain Overlay;

For the purpose of:

(3) protecting riparian, water quality, and floodplain values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132413

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

Form 3000-14
(October 1992)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTER[redacted]
BUREAU OF LAND MANAGEM[redacted]

[redacted]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Hoonan Thomas J
   Street 1300 Manor Dr
   City, State, Zip Code Casper WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 0330N R. 112OW 06th Meridian WY State Sublette County

sec 003 LOTS 1-4;
003 S2N2 S2;

247717
247717

RECORDED Aug. 5, 1994 4:00PM
IN BOOK 98 Misc PAGE 149
FEES 18.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease 639.360
Rental retained $ 960.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (ten years)

Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

FOR LESSEE

(Continued on reverse)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective par[redacted]

[redacted] [redacted] [redacted]

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

[redacted] [redacted] [redacted]

WYW132414

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) entire lease;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW132414

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

[redacted] [redacted] [redacted]

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

156

Serial No. WYW132424

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Noonan Thomas J
Street 1300 Manor Dr
City, State, Zip Code Casper WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 035N R. 113W 06th Meridian WY State Sublette County

sec 001 LOTS 1-4;
001 S2N2 SWSW;
013 W2NW NESW SESW W2SE SESE;
013 NWSW S2S2;
024 ALL;
025 ALL;

247718

RECORDED Aug 5, 1994 4:00 PM
IN BOOK 98 Misc PAGE 156
FEES 18.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease 2154.160
Rental retained $ 3232.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J Lewis
(Signing Officer)

Supervisory Land Law Examiner
(Title)

MAY 11 1994
(Date)

EFFECTIVE DATE OF LEASE JUN 01 1994

(Continued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

[redacted] [redacted] [redacted]

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

WYW132424

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Zone A (100 year) flood hazard area as designated by HUD will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Floodplain Overlay;

For the purpose of:

(3) protecting riparian, water quality, and floodplain values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW132424

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use between Feb 1 and July 31 within a radius of up to 1 mile of occupied and/or active raptor nest sites will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) as mapped on the Pinedale RMP Oil and Gas Lease Stipulation Overlay #2 or as determined by a pre-disturbance raptor nest survey;

For the purpose of:

(3) protecting raptor nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

(October 1992)

[redacted]

DEPARTMENT OF THE INTER[redacted]
BUREAU OF LAND MANAGEM[redacted]

[redacted] 10

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Noonan Thomas J
   Street 1300 Manor Drive
   City, State, Zip Code Casper, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County
034ON	111OW	06th	WY	Sublette
sec. 006	E2SE;			
034ON	112OW	06th	WY	
sec. 001	LOTS 2-4;			
001	SWNE,S2NW,E2SW,W2SE;			
002	LOTS 1,2;			
002	SWSE;			
011	SESW;			

247719

RECORDED Aug. 5, 1994 4:00PM
IN BOOK 98 O&G PAGE 163
FEES 20.00
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease 640.190
Rental retained $ 961.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Jean Mackey
(Signing Officer)

Supervisory Land Law Examiner (Title) JUL 07 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short-term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective pa[illegible]

[redacted] [redacted] WYW13[redacted]0

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

166

WYW133090

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

[redacted] [redacted] [redacted]

WYW133090

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

WYW133090

NO SURFACE OCCUPANCY STIPULATION - NSO

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description).

(1) T34N, R111W, sec 6: E2SE; T34N, R112W, sec 11: SESW;

For the purpose of:

(2) protecting Zone A (100 year) flood hazard area as designated by HUD.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW133090

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Nov 15 to Apr 30;

On the lands described below:

(2) entire lease, excluding areas protected by NSO;

For the purpose of (reasons):

(3) protecting big game crucial winter range.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

OFFER TO LEASE AND LEASE FOR [redacted] AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Mooman Thomas J
   Street 1300 Manor Drive
   City, State, Zip Code Casper, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 035ON R. 111OW 06th Meridian WY State Sublette County

sec. 004 LOTS 1-4;
004 S2NW,W2SW;
009 W2NW,SW;

247720

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98046 PAGE 171
FEES 28.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease 555.760
Rental retained $ 834.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

X Noncompetitive lease (ten years)

Competitive lease (ten years)

Other _____

THE UNITED STATES OF AMERICA

by Jean Mucho
(Signing Officer)

Supervisory Land Law Examiner JUL 12 1994
(Title) (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds--A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation [redacted] billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

[redacted] [redacted] WYW[redacted]91

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

WYW133091

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

[redacted] [redacted] [redacted]

Form 3730-1
(July 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

POWERSITE STIPULATION

The lessee or permittee hereby agrees:

(a) If any of the land covered by this lease or permit was, on the date the lease or permit application or offer was filed, within a powersite classification, powersite reserve, waterpower designation, or project on which an application for a license or preliminary permit is pending before the Federal Energy Regulatory Commission or on which an effective license or preliminary permit had been issued by the Federal Energy Regulatory Commission under the Federal Power Act, or on which an authorized power project (other than one owned or operated by the Federal Government) had been constructed, the United States, its permittees, or licensees shall have the prior right to use such land for purposes of power development so applied for, licensed, permitted, or authorized and no compensation shall accrue to the mineral lessee or permittee for loss of prospective profits or for damages to improvements or workings, or for any additional expense caused the mineral lessee as a result of the taking of said land for power development purposes. It is agreed, however, that where the mineral lessee or permittee can make adjustments of his improvements to avoid undue interference with power development, he will be permitted to do so at his own expense. Furthermore, occupancy and use of the land by the mineral lessee or permittee shall be subject to such reasonable conditions with respect to the use of the land as may be prescribed by the Federal Energy Regulatory Commission for the protection of any improvements and workings constructed thereon for power development.

(b) If any of the land covered by this lease or permit is on the date of the lease or permit within a powersite classification, powersite reserve, or waterpower designation which is not governed by the preceding paragraph, the lease or permit is subject to the express condition that the operations under it shall be so conducted as not to interfere with the administration and use of the land for powersite purposes to a greater extent than may be determined by the Secretary of the Interior to be necessary for the most beneficial use of the land. In any case, it is agreed that where the mineral lessee or permittee can make adjustments to avoid undue interference with power development, he will be permitted to do so at his own expense.

WYW133091

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Lesquerella paysonii (Payson's bladderpod);

[redacted] [redacted] [redacted]

WYW133091

NO SURFACE OCCUPANCY STIPULATION - NSO

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description).

(1) sec 9: W2NW;

For the purpose of:

(2) protecting Zone A (100 year) flood hazard areas as designated by HUD.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133091

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) sec 4: SWSW; sec 9: SW;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW133091

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Upper Green River Special Recreation Management Area/Wild and Scenic River Study Area will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) sec 4: lots 1-3, S2NW,W2SW; sec 9: N2SW;

For the purpose of:

(3) protecting recreation and wild & scenic river values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133091

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use between Feb 1 and July 31 within a radius of up to 1 mile of occupied and/or active raptor nest sites will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) entire lease, excluding areas protected by the NSO;

For the purpose of:

(3) protecting raptor nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW133091

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for **mitigation of anticipated impacts;**

On the lands described below:

(2) entire lease, excluding areas protected by the NSO;

For the purpose of:

(3) protecting Class I and II Visual Resource Management Areas.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW153091

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

Form 3100-11b
(October 1992)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERI[redacted]
BUREAU OF LAND MANAGEMENT

Serial No. [redacted]98

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Noonan Thomas J
Street 1300 Manor Drive
City, State, Zip Code Casper, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 0330N R. 112OW 06th Meridian WY State Sublette County

sec. 005 LOTS 1-4;
005 S2N2,S2;
006 LOTS 1-7;
006 S2NE,SENW,E2SW,SE;
007 LOTS 1-4;
007 E2,E2W2;
008 W2;
018 LOTS 1,2;
018 NE,E2NW;

247724

RECORDED Aug. 5 1994 4:00 PM
IN BOOK 98 Adj PAGE 183
FEES 22.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease 2554.270
Rental retained $ 3832.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (ten years)

Other _____

THE UNITED STATES OF AMERICA

by Jean Mucky
(Signing Officer)

Supervisory Land Law Examiner (Title) JUL 12 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____.

_____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

[redacted] [redacted] WYW133098

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

WYW133098

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

[redacted] [redacted] [redacted]

WYW133098

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

WYW133098

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) entire lease;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW133098

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within 1/4 mile of a sage/sharp-tailed grouse strutting/dancing ground will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) sec 6: lots 1,2,S2NE,SENW,NESW,N2SE;

For the purpose of:

(3) protecting sage/sharp-tailed grouse breeding habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133098

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within 1/2 mile of active sage grouse leks between midnight and 9:00 AM from March 1 to May 15 will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts. This may include development, operations and maintenance of facilities;

On the lands described below:

(2) sec 6: lots 1,2,S2NE,SENW,NESW,N2SE;

For the purpose of:

(3) protecting sage grouse breeding activity.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

192

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Noonan Thomas J
Street 1300 Manor Drive
City, State, Zip Code Casper, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 112OW 06th Meridian WY State Sublette County

sec. 010 SW;
014 S2N2;
015 S2N2,NWNW,SW;
022 ALL;
023 W2E2,W2;
026 W2NE,SENE,W2,SE;

247722

RECORDED Aug. 5 1994 4:00 PM
IN BOOK 98 OR PAGE 192
FEES 24.00 May
COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease 2400.000
Rental retained $ 3600.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Jean Nuckols
(Signing Officer)

Supervisory Land Law Examiner JUL 12 1994
(Title) (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

FOR LESSEE

(Continued on reverse)

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____.

_____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

WYW133099

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

[redacted] [redacted] WYW1[redacted]99

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

WYW133099

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

[redacted] [redacted] [redacted]

WYW133099

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Nov 15 to Apr 30;

On the lands described below:

(2) sec 10: SW; sec 14: S2N2; sec 15: SENE,NWNW; sec 23: W2E2,E2NW; sec 26: W2NE,SENE,E2SE;

For the purpose of (reasons):

(3) protecting big game crucial winter range.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133099

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) sec 22: S2N2,S2; sec 23: S2NW,SW,W2SE; sec 26: W2NE,SENE,W2,SE;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW133099

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Zone A (100 year) flood hazard area as designated by HUD will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) sec 10: N2SW; sec 14: S2NE; sec 23: W2NE;

For the purpose of:

(3) protecting riparian, water quality, and floodplain values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133099

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use between Feb 1 and July 31 within a radius of up to 1 mile of occupied and/or active raptor nest sites will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) entire lease or as determined by a pre-disturbance raptor nest survey;

For the purpose of:

(3) protecting raptor nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

Form 3100-11b
(October 1992)

202

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133100

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Noonan Thomas J
   Street 1300 Manor Drive
   City, State, Zip Code Casper, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* Y ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 112OW 06th Meridian WY State Sublette County

sec. 017 ALL;
020 ALL;
021 ALL;

247728

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 026 PAGE 202
FEES 24.00
SUBLETTE COUNTY CLERK
By Cathy Sutton COUNTY CLERK

Total acres in lease 1920.000
Rental retained $ 2880.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

Y ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Jean Mackey
(Signing Officer)

Supervisory Land Law Examiner JUL 12 1994
(Title) (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

WYW133100

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

[redacted] [redacted] WYW1[redacted].00

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

WYW133100

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

[redacted] [redacted] [redacted]

WYW133100

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Nov 15 to Apr 30;

On the lands described below:

(2) sec 17: N2NE,SWNE,NW,W2SW;

For the purpose of (reasons):

(3) protecting big game crucial winter range.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133100

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) sec 20: E2SE; sec 21: S2NE,S2;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

WYW133100

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within the Zone A (100 year) flood hazard area as designated by HUD will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) sec 17: N2NW,SWNW;

For the purpose of:

(3) protecting riparian, water quality, and floodplain values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133100

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use between Feb 1 and July 31 within a radius of up to 1 mile of occupied and/or active raptor nest sites will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) sec 17: N2NW,SWNW;

For the purpose of:

(3) protecting raptor nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

[redacted] [redacted] [redacted]

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

Form 3100-11b
(October 1992)

UNITED STATES 212
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133101

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Hoonan Thomas J
   Street 1300 Manor Drive
   City, State, Zip Code Casper, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 112OW 06th Meridian WY State Sublette County

sec. 027 ALL;
028 ALL;
033 ALL;
034 ALL;

247724

RECORDED Aug. 5, 1994 4:00 PM
IN BOOK 98 Pg 6 PAGE 212
FEES 22.00
SUBLETTE COUNTY CLERK
By Cathy Sexton
COUNTY CLERK

Total acres in lease 2560.000
Rental retained $ 3840.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

4. (a) Undersigned (is, is not) a citizen of the United States; (b) Undersigned (is, is not) a corporation organized under the laws of the State or Territory of _____; (c) Undersigned (is, is not) an association of citizens each of whom is a citizen of the United States.

THE UNITED STATES OF AMERICA

by Jean Mecby
(Signing Officer)

Supervisory Land Law Examiner (Title) JUL 12 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

FOR LESSEE

[redacted] [redacted] [redacted]

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 ____. _____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

WYW153101

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

[redacted] [redacted] WYW [redacted] 101

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

WYW133101

SPECIAL LEASE NOTICE

THREATENED, ENDANGERED, CANDIDATE, OR OTHER SPECIAL STATUS PLANT AND ANIMAL SPECIES

The lease area may contain habitat for the threatened, endangered, candidate, or other special status plant and animal species listed below. Exploration and development proposals may be limited, or modifications required, if activity is planned within the habitat boundaries of a threatened, endangered, candidate, or other special status plant/animal species as it then exists. Upon receipt of a site specific proposal, the authorized officer will review current inventory records of each location and may require that further localized surveys be performed to assure no threatened, endangered, candidate (category 1 or 2), proposed, or other special status species are present. (Endangered Species Act of 1973 as amended, Sections 2 and 7.)

SPECIES: Astragalus drabelliformis (bastard draba milkvetch);

[redacted] [redacted] [redacted]

WYW133101

TIMING LIMITATION STIPULATION - TLS

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

(1) Feb 1 to Jul 31;

On the lands described below:

(2) entire lease;

For the purpose of (reasons):

(3) protecting sage grouse nesting habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133101

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within 1/4 mile of a sage/sharp-tailed grouse strutting/dancing ground will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) sec 27: S2SW; sec 33: NE,N2SE; sec 34: NW;

For the purpose of:

(3) protecting sage/sharp-tailed grouse breeding habitat.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW133101

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use within 1/2 mile of active sage grouse leks between midnight and 9:00 AM from March 1 to May 15 will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) sec 27: S2SW; sec 28: NW; sec 33: NE,N2SE;

For the purpose of:

(3) protecting sage grouse breeding activity.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

WYW153401

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

(October 1992) [redacted] DEPARTMENT OF THE INTE[redacted] BUREAU OF LAND MANAGE[redacted] 00006 WYW[redacted]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name THOMAS J NOONAN
   Street 1300 MANOR DRIVE
   City, State, Zip Code CASPER, WY 82609

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-94/08-106 *Sale Date (m/d/y) 06 / 09 / 94
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.	R.	Meridian	State	County
30N - 109W 32: SW¼			WYOMING	SUBLETTE

Amount remitted: Filing fee $ 75.00 Rental fee $ 240.00 Total acres applied for 160.00
Total $ 315.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County
SEE ATTACHED				

247725
247725

RECORDED Aug 5, 1994 4:00 PM
IN BOOK 98 Q 26 PAGE 221
FEES 18.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

LAND LAW EXAMINER (Title) JUN 27 1994 (Date)

EFFECTIVE DATE OF LEASE JUL 01 1994

FOR LESSEE

(Continued on reverse)

State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 07th day of June, 19 91. Thomas D Pearson

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

*U.S. GPO: 1992-774-017/67034

WYW133244 160.000 Acres
T.0360N, R.1090W, 06th PM, WY
sec. 032 SW;
Sublette County

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

LEASE NOTICE NO. 1

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, timing of operations, and specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent.

2. Within 500 feet of surface water and/or riparian areas.

3. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

4. Within 500 feet of Interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, powerlines).

5. Within 1/4 mile of occupied dwellings.

GUIDANCE:

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or the designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

220

WYW133244

CONTROLLED SURFACE USE STIPULATION - CSU

Surface occupancy or use is subject to the following special operating constraints.

(1) Surface occupancy or use will be restricted or prohibited unless the operator and surface managing agency arrive at an acceptable plan for mitigation of anticipated impacts;

On the lands described below:

(2) entire lease;

For the purpose of:

(3) protecting Class I and II Visual Resource Management Areas.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

AGREEMENT, ASSIGNMENT AND BILL OF SALE

MONTCLAIR RESOURCES, INC., ("*Assignor*"), 641 Airport Road, Rio Vista, California 94571, for the payment of Ten and No/100 Dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged and subject to the terms and conditions hereof, hereby grants, sells, assigns conveys and transfers unto **PRESIDIO EXPLORATION, INC.**, a Colorado corporation ("*Assignee*"), 5613 DTC Parkway, Suite 750, Englewood, Colorado 80111, effective as of 7:00 a.m., local time, February 1, 1994 (the "*Effective Date*"), all of Assignor's right, title and interest in and to the following:

(a) The properties described on Exhibit "A" attached hereto and made a part hereof, whether such properties are in the nature of fee interests, leasehold interests, licenses, concessions, working interests, farmout rights, royalty, overriding royalty or other non-working or carried interests, operating rights or other mineral rights of every nature, and any rights that arise by operation of law or otherwise in all such properties and lands covered thereby and pooled, unitized, communitized or consolidated with such properties (the "*Leases*");

(b) All oil, condensate or natural gas wells, water source wells, and water and other types of injection and disposal wells either located on the Leases or on lands pooled or unitized therewith or held for use in connection with the Leases, whether producing, operating or shut-in (the "*Wells*");

(c) All severed crude oil, natural gas, casinghead gas, drip gasoline, natural gasoline, petroleum, natural gas liquids, condensate, products, liquids and other hydrocarbons and other minerals or materials of every kind and description produced from the Leases and either (i) in storage on the Effective Date or (ii) sold on or after the Effective Date (the "*Substances*");

(d) All personal property, fixtures, leases, improvements, oil field equipment and physical facilities or interests therein that are used or held for use in connection with the ownership or operation of the Leases and Wells, including, without limitation, tanks and tank batteries, disposal facilities, storage facilities, buildings, structures, field separators and liquid extractors, compressors, pumps, pumping units, values, fittings, machinery and parts, engines, boilers, meters, apparatus, implements, tools, appliances, cables, wires, towers, casing, tubing and rods, gathering lines or other pipelines, field gathering systems, and all other similar fixtures and equipment; and

(e) All contracts, commitments, agreements and arrangements that in any way relate to the Leases and Wells including, without limitation, all leases, easements, privileges, right-of-way agreements, permits, servitudes, licenses or other agreements relating to the use or ownership of surface and subsurface properties and structures that are used or held for use in connection with the exploration, production and transportation of Substances from the Leases or Wells, and all existing or proposed unitization, pooling and communitization agreements, declarations and orders to the extent they relate to or affect the Leases and Wells, all options, farmout agreements, exploration agreements, all oil, gas liquids, condensate, casinghead gas and gas sales, purchase, exchange, gathering, transportation and processing contracts, all operating

247743

RECORDED Aug 9 1994 8:20AM
IN BOOK 96 PAGE 228
FEES 14.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

[redacted] agreements, and all agreements for the production, storage, treatment, transportation, processing, purchase, sale or other disposal of Substances from the Leases and Wells or in connection therewith, and any and all amendments, ratifications or extensions of the foregoing, together with (i) all rights, privileges and benefits of Assignor thereunder arising on or after the Effective Date, (ii) all claims for take-or-pay or other similar payments arising before or after the Effective Date, and (iii) rights of subrogation for any claims that arise on or after the Effective Date under any insurance policy held by Assignor.

It is the further understanding of Assignor and Assignee that:

1. Assignor shall be entitled to all credits and proceeds of production from and accruing to the Leases prior to the Effective Date and shall be responsible for all costs, expenses, disbursements, obligations and liabilities attributable to the Leases for periods of time prior to the Effective Date.

2. Assignee shall be entitled to all credits and proceeds of production from and accruing to the Leases after the Effective Date and shall be responsible for all costs, expenses, disbursements, obligations and liabilities attributable to the Leases for periods of time after the Effective Date.

3. Assignor agrees to indemnify, defend and hold harmless Assignee, its agents and representatives from and against any and all claims, liabilities, losses, costs and expenses (including, without limitation, court costs, reasonable expenses of litigation and reasonable attorneys' fees) that are attributable to the Leases and other assets described above and to the period of time prior to the Effective Date, including, without limitation, any obligation of Assignor or any other person under any litigation, any obligation of Assignor or any other person to pay and discharge any refunds, including interest and penalties, if any, that may be imposed by any governmental agency arising from the sale of production prior to the Effective Date, any obligation or liability of Assignor arising from any gas imbalances other than the gas imbalances adjusted for on the execution date hereof, and the obligations and liabilities of Assignor under any laws, statutes, regulations and judicial interpretations of the United States and the state in which the Leases are located; or any of them, or any governmental or quasi-governmental authority having jurisdiction that relate to the prevention, abatement or elimination of pollution or the protection of the environment.

TO HAVE AND TO HOLD the interests herein assigned, together with all and singular the rights and appurtenances thereto unto Assignee, its successors and assigns forever; subject, however, to the matters set forth herein.

This Agreement, Assignment and Bill of Sale is made without warranty of title, express or implied, except that Assignor warrants title to the interests herein assigned against the claims of any and all persons claiming the same or any part thereof by, through or under Assignor. This conveyance is made with full substitution and subrogation of Assignee, its successors and assigns, to the rights of Assignor under, in and to all warranties made by others with respect to the rights, titles and interests being conveyed hereunder.

The Leases may also be conveyed on the appropriate federal or state agency forms. All such

additional conveyances shall be considered counterparts hereof and not additions hereto; all of the terms, conditions and covenants of this Agreement, Assignment and Bill of Sale shall be deemed incorporated into such conveyances.

Assignor will, at any time and from time to time after the date hereof, upon Assignee's request, execute, acknowledge and deliver or cause to be executed and delivered, all further documents or instruments necessary to effect the transaction embodied in this Agreement, Assignment and Bill of Sale.

This Agreement, Assignment and Bill of Sale is made and delivered subject to that certain Agreement between Assignor and Assignee dated as of May 27, 1994.

Executed this 24th day of June, 1994, effective for all purposes as of the Effective Date.

ASSIGNOR:

MONTCLAIR RESOURCES, INC.

By: _____
Name: John K. Adams
Title: President

ATTEST:

By: _____
Name: Judy Hamilton
Title: Assistant Secretary

ASSIGNEE:

PRESIDIO EXPLORATION, INC.

By: _____
Name: Robert L. Smith
Title: President

ATTEST:

By: _____
Name: Bruce DeBoer
Title: Secretary

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF SOLANO)

On June 27, 1994, before me, Judith Hamilton, personally appeared John K. Adams, personally known to me to be person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and notarial seal.

Judith Hamilton

JUDITH HAMILTON
COMM. #1004685
NOTARY PUBLIC-CALIFORNIA
SAN JOAQUIN COUNTY
My Comm. Expires October 01, 1997

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me by Robert L. Smith, as President of Presidio Exploration, Inc. on behalf of said corporation.

Witness my hand and notarial seal this 6th day of July, 1994.

My Commission Expires:

My Commission Expires October 25, 1994

(Seal) NOTARY PUBLIC MELINDA V. BRUCKNER STATE OF COLORADO

Melinda V. Bruckner
Notary Public in and for the
State of Colorado

EXHIBIT "A"

STATE: *** WYOMING ***
COUNTY: WY - SUBLETTE
PROSPECT: CONDOR
WELL: FEDERAL 30-33 (CONDOR)

LEASE NUMBER	LESSOR/ LESSEE	LEASE DATE	RECORDING DATA	DESCRIPTION
6501817 12740**	03 USA W-54137 MELVIN MEESTER	04/01/1976	BK 64 PG 328	T 27 N R 111 W SEC 33: NW/4SW/4
6501902 15049**	01 USA W-53096 OWEN P. MILES, JR.	01/01/1976	BK 71 PG 308	T 27 N R 111 W SEC 33: LOTS 1 (30.40), 2 (30.95), NE/4SW/4

232

Producers 88—Revised
Wyoming (U)
(12-56)

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 1st day of July, 19 94, by and between
Sue L. O'Neill, a single woman

of 38180 South Elbow Bend Drive, Tucson, Arizona 85737, hereinafter called lessor (whether one or more), and
Starwood, Inc., a Texas Corporation of 73 North Ranch Road, Littleton, CO. 80127-5775, hereinafter called lessee;

WITNESSETH: that lessor, for and in consideration of Ten and More DOLLARS ($ 10.00) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto said lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate) and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric lines, tanks, powers, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of Sublette, State of Wyoming, and being described as follows, to-wit:

FOR DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

24774
247744

RECORDED Aug. 9, 94 19 8:55 AM
IN BOOK 98 Misc PAGE 233
FEES 10.00
SUBLETTE COUNTY CLERK
COUNTY CLERK
By Cathy Saxton

of Section ———, Township ———, Range ———, it being the purpose and intent of lessor to lease, and lessor does hereby lease, all of the lands or interests in lands owned by lessor which adjoin the lands above described or which lie in the section or sections herein specified. For all purposes of this lease, said lands shall be deemed to contain 5,218.30 acres.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five (5) years from this date (herein called "primory term") and as long thereafter as oil and gas, or either of them, is produced from said leased premises or drilling operations are continuously prosecuted as hereinafter provided. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to be "continuously prosecuted" if not more than 60 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease, this lease shall not terminate if lessee is then prosecuting drilling operations, or within 60 days after each such cessation of production commences drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

In consideration of the premises, lessee covenants and agrees:

1st. To deliver, free of cost, to lessor at the wells, or to the credit of lessor in the pipeline to which the wells may be connected, the equal one-eighth (1/8) part of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at lessee's option, to pay to lessor for such one-eighth (1/8) royalty the market price at the well for such oil and other liquid hydrocarbons of like grade and gravity prevailing on the day such oil and other liquid hydrocarbons are run from the lease stock tanks.

2nd. To pay lessor one-eighth (1/8) of the proceeds received by lessee at the well for all gas (including all substances contained in such gas) produced from the leased premises and sold by lessee; if such gas is used by lessee off the leased premises or used by lessee for the manufacture of casinghead gasoline or other products, to pay to lessor one-eighth (1/8) of the prevailing market price at the well for the gas so used.

If no well be commenced on said land on or before one year from the date hereof, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone in his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Bank of America (which bank and its successors shall continue as the depository regardless of changes in the ownership of said land or of the right to receive rentals) Bank at Tucson, Arizona 85704, the sum of Ten Thousand Four Hundred Thirty Six and 60/100 DOLLARS ($ 10,436.60), which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date. In like manner and upon like payments or tenders, the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in any post office, addressed to the depository bank or lessor (at his last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to such deceased or to his credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and his successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease accoraing to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), lessee shall be unconditionally obligated to pay to such lessor the rental properly payable for the rental period involved, but this lease shall be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit be corrected within 30 days after receipt by lessee of written notice from such lessor of such error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be completed as a dry hole, then, and in that event, if a second well is not commenced on said land within 12 months from the expiration of the last rental period for which rental has been paid (it being understood that for the purpose of this paragraph the period of time extending from the date of this lease to the first rental date shall be considered as a rental period for which rental has been paid), this lease shall terminate as to both parties, unless lessee on or before the expiration of said 12 months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals, as above provided, the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in rental payments.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products, nevertheless such shut-in well shall be deemed to be a well on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof. Lessee shall use reasonable diligence to market gas or gas and gas-condensate capable of being produced from such shut-in well but shall be under no obligation to market such products under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. Lessee shall be obligated to pay or tender to lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royalty, an amount equal to the annual delay rental herein provided applicable to the interest of lessor in acreage embraced in this lease as of the end of such annual period, or, if this lease does not provide for any delay rental, then the sum of $50.00; provided that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if, at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered to lessor or to lessor's credit in the depository bank above designated. Royalty ownership as of the last day of each such annual period as shown by lessee's records shall govern the determination of the party or parties entitled to receive such payment.

If lessor owns a less interest in the land covered by this lease than the entire and undivided fee simple mineral estate therein, then whether or not such less interest is referred to or described herein, all rentals and royalties herein provided shall be paid lessor only in the proportion which his interest bears to the whole and undivided mineral fee.

If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in the ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until 90 days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, rateably according to the surface acreage of each, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

Lessee may, at any time, execute and deliver to lessor or place of record a release covering all or any part of the acreage embraced in the leased premises or covering any one or more zones, formations or depths underlying all or any part of such acreage, and thereupon shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release. In event of a release of this lease as to all rights in only a part of the acreage embraced in the leased premises, thereafter the delay rentals hereinabove provided for shall be reduced proportionately on an acreage basis.

Lessee shall have the right to unitize all or any part of the above described lands with other lands in the same general area by entering into a unit agreement setting forth a plan of development or operation approved by the Secretary of the Interior, or other officer or representative of the United States having authority to approve such unit agreements, and, from time to time, with like approval, to modify, change or terminate any such agreement. In any of such events, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such approved unit agreement, and all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement except as may be otherwise provided in said agreement. In the event that said above described lands, or any part thereof, shall hereafter be operated under any such unit agreement whereby the production thereunder is allocated to different portions of the land covered by said agreement, then the production allocated to any particular tract of land pursuant to such agreement shall, for the purpose of computing royalties, be regarded as having been produced from the particular tract of land to which it is allocated and not from any other tract of land and any royalty payments on such production to be made hereunder to lessor shall be based solely upon the production so allocated. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest unitized pursuant hereto. Lessee's execution of such unit agreement shall be binding as to both lessor and lessee and their respective

interests. Lessee, following such execution, shall furnish lessor with a copy of such unit agreement by mail to lessor's last known address as shown by lessee's records and shall give lessor written notice of approval of the same in the same manner within a reasonable time after lessee is notified of such approval.

Lessee shall have the right to use, free of cost, oil, gas and water produced on said land for its operations thereon except water from wells of lessor. 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. No part of the surface of the leased premises shall, without the written consent of lessee, be let, granted or licensed by lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals.

Lessee shall bury below plow depth its pipe lines on the leased premises when requested by a lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

Lessor hereby warrants and agrees to defend the title to the lands herein described, but if the interest of lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, lessor's warranty shall be limited to the interest so stated. Lessee may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby but lessee shall not suffer any forfeiture nor incur any liability to lessor by reason thereof. Lessee shall have the right at any time to pay for lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and any such payments made by lessee for lessor may be deducted from any amounts of money which may become due lessor under this lease.

All express and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor lessee held liable in damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, lack of market, act of God, strike, fire, explosion, flood or any other cause reasonably beyond the control of lessee.

This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to lessor and lessee shall include reference to their respective successors and assigns. Should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

Lessor hereby releases and waives all rights in the leased premises under and by virtue of the homestead exemption laws of the State of Wyoming insofar as the same may in any way affect the purposes for which this lease is made.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

X Sue L. O'Neill

Sue L. O'Neill SSN: 506-42-8879

STATE OF Arizona
COUNTY OF Pima } SS.

(Individual—Wyo.)

On this 7th day of July, 19 94, before me personally appeared SUE L. O'NEILL, to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that he (or she or they) executed the same as his (or her or their) free act and deed.

My commission expires:

OFFICIAL SEAL
DAWN CAFFALL
Notary Public - State of Arizona
PIMA COUNTY
My Comm. Expires Dec. 18, 1997

Dawn Caffall
Notary Public

STATE OF
COUNTY OF } SS.

(Individual—Wyo.)

On this ..... day of ....., 19....., before me personally appeared .....
....., to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that he (or she or they) executed the same as his (or her or their) free act and deed.

My commission expires:

.....
Notary Public

STATE OF
COUNTY OF } SS.

(Corporation—Wyo.)

On this ..... day of ....., 19....., before me appeared .....
....., to me personally known, who, being by me duly sworn, did say that he is the ..... President of .....
....., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said ..... acknowledged said instrument to be the free act and deed of said corporation.

My commission expires:

.....
Notary Public

STATE OF
COUNTY OF } SS.

(Certificate of Recording)

This instrument was filed for record on the ..... day of ....., 19..... at ..... o'clock ...M and recorded in Book ..... at Page ..... of the records of this office.

.....
Register of Deeds

By .....
Deputy

AFTER RECORDING, RETURN TO: .....

[redacted] [redacted] [redacted]

EXHIBIT "A" attached to and made a part of that certain Oil and Gas Lease, dated July 1, 1994, by and between Sue L. O'Neill, a single woman, as LESSOR, and Starwood, Inc., a Texas Corporation, as LESSEE.

Township 32 North, Range 111 West, 6th P.M.
Section 7: Lot 2(37.30), Lot 3(37.30), Lot 4(37.32), SE/4NW/4, E/2SW/4, S/2NE/4, SE/4
Section 8: SW/4NW/4, W/2SW/4, SE/4SW/4, SW/4SE/4
Section 17: W/2, W/2E/2, SE/4NE/4, E/2SE/4
Section 18: Lot 1(37.33), Lot 2(37.34), E/2NW/4, NE/4SW/4, E/2
Section 20: NE/4, E/2NW/4, NW/4NW/4, N/2SE/4, SE/4SE/4
Section 21: W/2, W/2E/2, SE/4NE/4, E/2SE/4
Section 28: NW/4NE/4, N/2NW/4

Township 32 North, Range 112 West, 6th P.M.
Section 10: Lot 1(27.07), Lot 2(25.47), Lot 3(23.85)
Section 11: Lot 1(33.62), Lot 2(31.98), Lot 3(30.34), Lot 4(28.70), SE/4NW/4, S/2NE/4, N/2SE/4
Section 12: Lot 1(39.37), Lot 2(38.88), Lot 3(37.04), Lot 4(35.31), S/2N/2, N/2S/2, SW/4SW/4, S/2SE/4
Section 13: NE/4NE/4

Township 33 North, Range 111 West, 6th P.M.
Section 31: Lot 3(40.06), Lot 4(40.02), SE/4SW/4, SW/4SE/4

Township 33 North, Range 112 West, 6th P.M.
Section 27: S/2NW/4, W/2NE/4, S/2
Section 34: N/2NE/4, SE/4NE/4
Section 35: W/2, SW/4NE/4, SE/4

All of the above lands containing 5,218.30 acres, more or less.

Signed for Identification

Sue L. O'Neill
Sue L. O'Neill

THIS AGREEMENT, made and entered into this 23rd day of June, 19 94, by and between Grindstone Cattle Co., a Wyoming Corporation and James M. Miller, a single man, Individually of P.O. Box 105, Daniel, Wyoming 83115 Starwood, Inc., a Texas Corporation of 73 North Ranch Road, Littleton, CO. 80127-5775, hereinafter called lessor (whether one or more), and hereinafter called lessee;

WITNESSETH: that lessor, for and in consideration of Ten and More DOLLARS ($ 10.00) In hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto said lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate) and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric lines, tanks, powers, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of Sublette, State of Wyoming, and being described as follows, to-wit:

See EXHIBIT "A", attached to and made a part hereof.

247745
247745

RECORDED Dec. 9, 1994 8:35 AM
IN BOOK 98 PAGE 236
FEES 16.00
SUBLETTE COUNTY CLERK
By Cathy Sexton

of Section - - - - - - - - -, Township - - - - - - - - -, Range - - - - - - - - -, it being the purpose and intent of lessor to lease, and lessor does hereby lease, all of the lands or interests in lands owned by lessor which adjoin the lands above described or which lie in the section or sections herein specified. For all purposes of this lease, said lands shall be deemed to contain 14,423.831 acres.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ Three (3) J.M.M. M.H. years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from said leased premises or drilling operations are continuously prosecuted as hereinafter provided. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to be "continuously prosecuted" if not more than 60 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease, this lease shall not terminate if lessee is then prosecuting drilling operations, or within 60 days after each such cessation of production commences drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

In consideration of the premises, lessee covenants and agrees:

1st. To deliver, free of cost, to lessor at the wells, or to the credit of lessor in the pipeline to which the wells may be connected, the equal one-eighth (1/8) part of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at lessee's option, to pay to lessor for such one-eighth (1/8) royalty the market price at the well for such oil and other liquid hydrocarbons of like grade and gravity prevailing on the day such oil and other liquid hydrocarbons are run from the lease stock tanks.

2nd. To pay lessor one-eighth (1/8) of the proceeds received by lessee at the well for all gas (including all substances contained in such gas) produced from the leased premises and sold by lessee; if such gas is used by lessee off the leased premises or used by lessee for the manufacture of casinghead gasoline or other products, to pay to lessor one-eighth (1/8) of the prevailing market price at the well for the gas so used.

If no well be commenced on said land on or before one year from the date hereof, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone in his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Rock Springs National Bank at Rock Springs, Wyoming (which bank and its successors shall continue as the depositary regardless of changes in the ownership of said land or of the right to receive rentals), the sum of Twenty Eight Thousand Eight Hundred Forty Seven and 66/100 DOLLARS ($ 28,847.66), which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date. In like manner and upon like payments or tenders, the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in any post office, addressed to the depository bank or lessor (at his last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to such deceased or to his credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and his successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), lessee shall be unconditionally obligated to pay to such lessor the rental properly payable for the rental period involved, but this lease shall be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit be corrected within 30 days after receipt by lessee of written notice from such lessor of such error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be completed as a dry hole, then, and in that event, if a second well is not commenced on said land within 12 months from the expiration of the last rental period for which rental has been paid (it being understood that for the purpose of this paragraph the period of time extending from the date of this lease to the first rental date shall be considered as a rental period for which rental has been paid), this lease shall terminate as to both parties, unless lessee on or before the expiration of said 12 months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals, as above provided, the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in rental payments.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products, nevertheless such shut-in well shall be deemed to be a well on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof. Lessee shall use reasonable diligence to market gas or gas and gas-condensate capable of being produced from such shut-in well but shall be under no obligation to market such products under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. Lessee shall be obligated to pay or tender to lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royalty, an amount equal to the annual delay rental herein provided applicable to the interest of lessor in acreage embraced in this lease as of the end of such annual period, or, if this lease does not provide for any delay rental, then the sum of $50.00; provided that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if, at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered to lessor or to lessor's credit in the depository bank above designated. Royalty ownership as of the last day of each such annual period as shown by lessee's records shall govern the determination of the party or parties entitled to receive such payment.

If lessor owns a less interest in the land covered by this lease than the entire and undivided fee simple mineral estate therein, then whether or not such less interest is referred to or described herein, all rentals and royalties herein provided shall be paid lessor only in the proportion which his interest bears to the whole and undivided mineral fee.

If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in the ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until 90 days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, rateably according to the surface acreage of each, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

Lessee may, at any time, execute and deliver to lessor or place of record a release covering all or any part of the acreage embraced in the leased premises or covering any one or more zones, formations or depths underlying all or any part of such acreage, and thereupon shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release. In event of a release of this lease as to all rights in only a part of the acreage embraced in the leased premises, thereafter the delay rentals hereinabove provided for shall be reduced proportionately on an acreage basis.

Lessee shall have the right to unitize all or any part of the above described lands with other lands in the same general area by entering into a unit agreement setting forth a plan of development or operation approved by the Secretary of the Interior, or other officer or representative of the United States having authority to approve such unit agreements, and, from time to time, with like approval, to modify, change or terminate any such agreement. In any of such events, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such approved unit agreement, and all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement except as may be otherwise provided in said agreement. In the event that said above described lands, or any part thereof, shall hereafter be operated under any such unit agreement whereby the production thereunder is allocated to different portions of the land covered by said agreement, then the production allocated to any particular tract of land pursuant to such agreement shall, for the purpose of computing royalties, be regarded as having been produced from the particular tract of land to which it is allocated and not from any other tract of land and any royalty payments on such production to be made hereunder to lessor shall be based solely upon the production so allocated. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest unitized pursuant hereto. Lessee's execution of such unit agreement shall be binding as to both lessor and lessee and their respective

interests. Lessee, following such execution, shall furnish lessor with a copy of such drill agreement by mail to lessor's last known address as shown by lessee's records [redacted] give lessor written notice of approval of the [redacted] the same manner within a reasonable time aft[redacted] notified of such approval.

Lessee sho[redacted] right to use, free of cost, oil, gas and water p[redacted]n said land for its operations thereon except w[redacted] wells of lessor. 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. No part of the surface of the leased premises shall, without the written consent of lessee, be let, granted or licensed by lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals.

Lessee shall bury below plow depth its pipe lines on the leased premises when requested by a lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

Lessor hereby warrants and agrees to defend the title to the lands herein described, but if the interest of lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, lessor's warranty shall be limited to the interest so stated. Lessee may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby but lessee shall not suffer any forfeiture nor incur any liability to lessor by reason thereof. Lessee shall have the right at any time to pay for lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and any such payments made by lessee for lessor may be deducted from any amounts of money which may become due lessor under this lease.

All express and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor lessee held liable in damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, lack of market, act of God, strike, fire, explosion, flood or any other cause reasonably beyond the control of lessee.

This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to lessor and lessee shall include reference to their respective successors and assigns. Should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

Lessor hereby releases and waives all rights in the leased premises under and by virtue of the homestead exemption laws of the State of Wyoming insofar as the same may in any way affect the purposes for which this lease is made.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

Grindstone Cattle Co.,
a Wyoming Corporation

By: James M. Miller
James M. Miller - President

James M. Miller SSN: 520-44-8679

Attest:

By: Marguerite Hermansen
Marguerite Hermansen - Secretary

Tax ID#: 83-0290959

STATE OF WYOMING
COUNTY OF SUBLETTE } SS.

(Individual—Wyo.)

On this 23RD day of JUNE, 19 94, before me personally appeared JAMES M. MILLER, to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that he (or she or they) executed the same as his (or her or their) free act and deed.

My commission expires:
2-2-97

Notary Public

STATE OF _____
COUNTY OF _____ } SS.

(Individual—Wyo.)

On this _____ day of _____, 19_____, before me personally appeared _____, to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that he (or she or they) executed the same as his (or her or their) free act and deed.

My commission expires:

Notary Public

STATE OF WYOMING
COUNTY OF SUBLETTE } SS.

(Corporation—Wyo.)

On this 23RD day of JUNE, 19 94, before me appeared JAMES M. MILLER, to me personally known, who, being by me duly sworn, did say that he is the President of GRINDSTONE CATTLE CO., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said JAMES M. MILLER acknowledged said instrument to be the free act and deed of said corporation.

My commission expires:
2-2-97

Notary Public

STATE OF _____
COUNTY OF _____ } SS.

(Certificate of Recording)

This instrument was filed for record on the _____ day of _____, 19_____ at _____ o'clock ___M and recorded in Book _____ at Page _____ of the records of this office.

Register of Deeds

By _____
Deputy

AFTER RECORDING, RETURN TO: _____

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated June 20, 1994 by and between Grindstone Cattle Co., a Wyoming Corporation and James M. Miller, a single man, Individually, Lessors, and Starwood, Inc., a Texas Corporation, Lessee, to-wit:

DESCRIPTION OF LANDS:

Township 29 North, Range 111 West, 6th P.M.
Section 6: Lot 6(39.67), Lot 7(39.87), E/2SW/4, SE/4, Less and except that part of E/2SE/4 of Section 6, T29N-R111W, lying Easterly and Northerly of the Northeasterly right-of-way line of Highway 189, containing an area of 24 acres, more or less.
Section 7: Lot 1(39.92), Lot 2(39.86), Lot 3(39.78), Lot 4(39.71), E/2W/2, NE/4, Less and except that part of the SE/4NE/4 of Section 7, T29N-R111W, described as follows: Beginning at a point which is N85-30'E., 4443 feet from the West one-quarter corner of said Section 7 where is found a quartzite stone 5" x 8" x 12" marked 1/4 on West and SS on East with pits North and South of corner 4-1/2 feet distant; thence S 05 - 23 W., 518.6 feet to a point on a barbed wire fence; thence S87-51E., 847.3 feet along said fence to a point on the west right-of-way line of State Highway 189; thence N 00 - 26 W., 445.1 feet along said line to a point which is station 568+00 of said Highway as surveyed in 1935 and marked with a wooden stake 1" x 2" x 10"; thence N82-38W., 802.7 feet to the point of beginning; each point being marked with a steel T-shaped stake 24" long with brass cap inscribed "Survey Point Do Not Disturb RLS 164"; containing an area of 9.099 acres, more or less.

Township 29 North, Range 112 West, 6th P.M.
Section 1: Lot 2(39.54), Lot 3(39.24), Lot 4(38.93), SE/4NE/4, S/2NW/4, S/2
Section 2: Lot 1(38.58), SE/4NE/4, E/2SE/4
Section 3: Lot 3(35.42), Lot 4(34.72), S/2NW/4
Section 4: Lot 1(34.44), Lot 2(34.61), Lot 3(34.77), Lot 4(34.94), S/2N/2
Section 5: Lot 1(35.33), SE/4NE/4
Section 12: E/2NE/4

Township 30 North, Range 112 West, 6th P.M.
Section 32: SE/4SE/4
Section 33: S/2
Section 34: SW/4
Section 35: E/2SE/4
Section 36: SW/4, W/2SE/4

Township 33 North, Range 110 West, 6th P.M.
Section 15: S/2SW/4
Section 16: All
Section 21: E/2, E/2W/2
Section 22: SW/4NE/4, W/2SE/4, W/2
Section 27: NW/4NE/4, W/2SE/4, W/2
Section 28: NE/4, E/2NW/4
Section 34: W/2NE/4, NW/4, NE/4SW/4, W/2SE/4, SE/4SE/4

Township 33 North, Range 111 West, 6th P.M.
Section 4: Lot 3(40.06), Lot 4(40.00), S/2NW/4, SW/4

Township 34 North, Range 110 West, 6th P.M.
Section 30: Lot 4(33.32), SE/4SW/4

Township 34 North, Range 111 West, 6th P.M.
Section 25: S/2
Section 26: S/2
Section 27: W/2SE/4, SE/4SE/4
Section 28: S/2NW/4, SW/4
Section 29: NW/4NE/4, S/2NE/4, SE/4, W/2
Section 30: SE/4SE/4
Section 31: NE/4NE/4
Section 32: N/2, N/2SE/4
Section 33: W/2
Section 34: N/2NE/4
Section 35: NE/4, E/2NW/4, NW/4NW/4, N/2SE/4
Section 36: N/2

Township 34 North, Range 112 West, 6th P.M.
Section 1: Lot 1(40.01), SE/4NE/4, E/2SE/4

Township 35 North, Range 111 West, 6th P.M.
Section 30: Lot 3(36.96), Lot 4(37.02), E/2SW/4, SW/4SE/4
Section 31: Lot 1(37.08), Lot 2(37.11), Lot 3(37.15), Lot 4(37.19), E/2W/2, W/2E/2, SE/4NE/4, E/2SE/4
Section 32: NE/4NW/4, S/2NW/4, N/2SW/4, SW/4SW/4

Township 35 North, Range 112 West, 6th P.M.
Section 3: Lot 1(40.02), Lot 2(39.97), Lot 3(39.93), Lot 4(39.88), S/2N/2, S/2
Section 7: NE/4NE/4
Section 8: N/2NW/4, SW/4NW/4
Section 9: NE/4SW/4, W/2SE/4, SE/4SE/4
Section 10: N/2NE/4, SE/4NE/4, NE/4NW/4
Section 11: S/2N/2, N/2SE/4, NE/4SW/4
Section 13: SW/4SW/4
Section 14: SW/4NE/4, NE/4NW/4, S/2NW/4, S/2
Section 15: S/2N/2, S/2
Section 22: N/2N/2
Section 23: NW/4NE/4, N/2NW/4
Section 25: E/2SE/4

Township 36 North, Range 112 West, 6th P.M.
Section 11: E/2E/2
Section 12: SW/4NW/4, W/2SW/4, and all the portions of NW/4NW/4, E/2W/2 lying and being West of the center line of the State Highway No. 187.
Section 13: W/2NW/4, SW/4, and all portions of E/2NW/4 lying and being West of the center line of the State Highway No. 187.
Section 14: E/2NE/4
Section 24: N/2NW/4, SE/4NW/4, NE/4SW/4, S/2SW/4
Section 25: NW/4, N/2SW/4

All above lands containing 14,423.831 acres, more or less.

NOTWITHSTANDING anything to the contrary contained in the printed portion of the lease to which this Exhibit "A" is attached, Lessor and Lessee also agree as follows:

1) The royalty is one-eighth (1/8) before payout and shall increase to 15% after payout. Payout shall be defined as after recovery of all costs of drilling, completing, reworking and equipping any well or wells of all lands herein described or pooled herewith, less operating costs.

2) Once initial production from this lease begins, if the sum of the royalty paid Lessors from the date of first production to the one (1) year anniversary date or any subsequent one (1) year period is less than the annual rental payment provided in this lease, then Lessee agrees to pay Lessor the difference between the royalty paid to Lessor for the previous one (1) year period and the annual rental amount provided by this lease. If payment is not tendered by Lessee to Lessor(s) within ninety (90) days from the anniversary date that a deficiency in royalty occurs as described above this lease shall terminate as to all parties.

from time to time to pool only parts of said lease with land or leases adjacent and only the 320 prescribed or required acreage necessary to abide by the State law, order, rule or regulation set aside in the Spacing Order.

4) If a producing well on an adjacent lease is pooled with only parts of said lease as required by the State law, order, rule or regulation set aside in the Spacing Order, that pooled portion of said lease shall not be construed as valid lease production and the portion of the lease not pooled will terminate at the end of the primary term, subject to part 5 herein. Lessee will be allowed to segregate that portion of pooled acreage (not to exceed 640 acres for a gas well and 320 acres for an oil well) from the lease.

5) Production from any well drilled hereunder shall not serve to extend the term hereof for a period of more than one (1) year subsequent to the end of the primary term hereof, except as to such lands as are contained in the spacing unit in which any such well is located; provided, however, that Lessee may maintain this lease in full force and effect as to all formations beyond said period as to all lands covered hereby so long as Lessee engages in and commences in actual drilling operations on at least one (1) test well prior to the end of said one (1) year period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least one test well during each succeeding one (1) year period.

6) Lessor shall have the right, at his sole risk and expense, to make a connection downstream from the wellhead, and use, free of cost, gas from any producing well located on lands covered by this lease for electricity and heat for any principal dwelling or building on leased premises, provided, however, that Lessor shall use said gas for his personal use and not for any commercial purpose. Lessor further agrees to release and hold Lessee, or his assignees, harmless from any action, legal or otherwise, as a result of any losses or damages incurred by Lessor's actions regarding the connections, and the taking and/or using of said gas. A written agreement between Lessor and Lessee shall govern the specific terms of gas availability and delivery.

7) Lessee shall notify Lessor in advance of staking and building a location.

8) Location site for any well or wells on leased premises shall not exceed two acres unless agreed upon before construction of location.

9) At the time of staking the location, Lessee shall pay to Lessor appraisal land value price for roadway right-of-way and location site. If production is encountered, annual payment, to be determined, shall be paid to Lessor for that portion of land taken out of production. If a dry hole, payment shall be for no less than five (5) years and for no more than ten (10) years; this payment is solely for land restoration.

10) If drilling of a well is on irrigated meadow land, drilling will be permitted from October 15 to March 1.

11) If any irrigation ditches or canals are disturbed during construction, drilling or completion, all ditches and canals will be reconstructed immediately so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

12) Upon completion of drilling any and all wells, drilling mud shall be removed, location site and access road shall be restored to as near as possible their original state and re-seeded.

impeding operations.

[redacted] [redacted] [redacted]

SIGNED FOR IDENTIFICATION

James M. Miller - President
Grindstone Cattle Co.,
a Wyoming Corporation

Marguerite Hermansen - Secretary
Grindstone Cattle Co.,
a Wyoming Corporation

James M. Miller, Individually

Producers' 88—Revised
Wyoming (U)
(12-56)

242

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 20th day of June, 1994, by and between James M. Miller, a single man

of P.O. Box 105, Daniel, Wyoming 83115

Starwood, Inc., a Texas Corporation of 73 North Ranch Road, Littleton, CO. 80127-5775, hereinafter called lessee;

WITNESSETH: that lessor, for and in consideration of Ten and More DOLLARS ($ 10.00) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto said lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate) and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric lines, tanks, powers, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of Sublette, State of Wyoming, and being described as follows, to-wit:

See EXHIBIT "A", attached to and made a part hereof.

247746
247746

RECORDED Aug. 9, 1994 8:35 M
IN BOOK 98 PAGE 242
FEES 12.00 Mary Lou Lane COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

of Section - - - - - - - - -, Township - - - - - - - - -, Range - - - - - - - - -, it being the purpose and intent of lessor to lease, and lessor does hereby lease, all of the lands or interests in lands owned by lessor which adjoin the lands above described or which lie in the section or sections herein specified. For all purposes of this lease, said lands shall be deemed to contain 1,532.95 acres.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ Three (3) J.M.M. years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from said leased premises or drilling operations are continuously prosecuted as hereinafter provided. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to be "continuously prosecuted" if not more than 60 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease, this lease shall not terminate if lessee is then prosecuting drilling operations, or within 60 days after each such cessation of production commences drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

In consideration of the premises, lessee covenants and agrees:

1st. To deliver, free of cost, to lessor at the wells, or to the credit of lessor in the pipeline to which the wells may be connected, the equal one-eighth (1/8) part of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at lessee's option, to pay to lessor for such one-eighth (1/8) royalty the market price at the well for such oil and other liquid hydrocarbons of like grade and gravity prevailing on the day such oil and other liquid hydrocarbons are run from the lease stock tanks.

2nd. To pay lessor one-eighth (1/8) of the proceeds received by lessee at the well for all gas (including all substances contained in such gas) produced from the leased premises and sold by lessee; if such gas is used by lessee off the leased premises or used by lessee for the manufacture of casinghead gasoline or other products, to pay to lessor one-eighth (1/8) of the prevailing market price at the well for the gas so used.

If no well be commenced on said land on or before one year from the date hereof, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone in his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Rock Springs National Bank at Rock Springs, Wyoming (which bank and its successors shall continue as the depository regardless of changes in the ownership of said land or of the right to receive rentals), the sum of Three Thousand Sixty Five and 90/100 - - - - - - - - - - DOLLARS ($ 3,065.90), which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date. In like manner and upon like payments or tenders, the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in any post office, addressed to the depository bank or lessor (at his last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to such deceased or to his credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and his successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), lessee shall be unconditionally obligated to pay to such lessor the rental properly payable for the rental period involved, but this lease shall be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit be corrected within 30 days after receipt by lessee of written notice from such lessor of such error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be completed as a dry hole, then, and in that event, if a second well is not commenced on said land within 12 months from the expiration of the last rental period for which rental has been paid (it being understood that for the purpose of this paragraph the period of time extending from the date of this lease to the first rental date shall be considered as a rental period for which rental has been paid), this lease shall terminate as to both parties, unless lessee on or before the expiration of said 12 months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals, as above provided, the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in rental payments.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products, nevertheless such shut-in well shall be deemed to be a well on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof. Lessee shall use reasonable diligence to market gas or gas and gas-condensate capable of being produced from such shut-in well but shall be under no obligation to market such products under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. Lessee shall be obligated to pay or tender to lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royalty, an amount equal to the annual delay rental herein provided applicable to the interest of lessor in acreage embraced in this lease as of the end of such annual period, or, if this lease does not provide for any delay rental, then the sum of $50.00; provided that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if, at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered to lessor or to lessor's credit in the depository bank above designated. Royalty ownership as of the last day of each such annual period as shown by lessee's records shall govern the determination of the party or parties entitled to receive such payment.

If lessor owns a less interest in the land covered by this lease than the entire and undivided fee simple mineral estate therein, then whether or not such less interest is referred to or described herein, all rentals and royalties herein provided shall be paid lessor only in the proportion which his interest bears to the whole and undivided mineral fee.

If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in the ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until 90 days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, rateably according to the surface acreage of each, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

Lessee may, at any time, execute and deliver to lessor or place of record a release covering all or any part of the acreage embraced in the leased premises or covering any one or more zones, formations or depths underlying all or any part of such acreage, and thereupon shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release. In event of a release of this lease as to all rights in only a part of the acreage embraced in the leased premises, thereafter the delay rentals hereinabove provided for shall be reduced proportionately on an acreage basis.

Lessee shall have the right to unitize all or any part of the above described lands with other lands in the same general area by entering into a unit agreement setting forth a plan of development or operation approved by the Secretary of the Interior, or other officer or representative of the United States having authority to approve such unit agreements, and, from time to time, with like approval, to modify, change or terminate any such agreement. In any of such events, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such approved unit agreement, and all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement except as may be otherwise provided in said agreement. In the event that said above described lands, or any part thereof, shall hereafter be operated under any such unit agreement whereby the production thereunder is allocated to different portions of the land covered by said agreement, then the production allocated to any particular tract of land pursuant to such agreement shall, for the purpose of computing royalties, be regarded as having been produced from the particular tract of land to which it is allocated and not from any other tract of land and any royalty payments on such production to be made hereunder to lessor shall be based solely upon the production so allocated. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest unitized pursuant hereto. Lessee's execution of such unit agreement shall be binding as to both lessor and lessee and their respective

interest. Lessee, following such execution, shall furnish lessor with a copy of such unit agreement by mail to lessor's last [redacted] as shown by lessee's record[redacted] give lessor written notice of approval of the [redacted] the same manner within a reasonable time aft[redacted] notified of such approval.

Lessee sha[redacted] the right to use, free of cost, oil, gas and water p[redacted] said land for its operations thereon except water from wells of lessor. 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. No part of the surface of the leased premises shall, without the written consent of lessee, be let, granted or licensed by lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals.

Lessee shall bury below plow depth its pipe lines on the leased premises when requested by a lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

Lessor hereby warrants and agrees to defend the title to the lands herein described, but if the interest of lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, lessor's warranty shall be limited to the interest so stated. Lessee may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby but lessee shall not suffer any forfeiture nor incur any liability to lessor by reason thereof. Lessee shall have the right at any time to pay for lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and any such payments made by lessee for lessor may be deducted from any amounts of money which may become due lessor under this lease.

All express and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor lessee held liable in damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, lack of market, act of God, strike, fire, explosion, flood or any other cause reasonably beyond the control of lessee.

This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to lessor and lessee shall include reference to their respective successors and assigns. Should any one or more of the parties named above as lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

Lessor hereby releases and waives all rights in the leased premises under and by virtue of the homestead exemption laws of the State of Wyoming insofar as the same may in any way affect the purposes for which this lease is made.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

X James M. Miller SSN: 520-44-8679

STATE OF WYOMING
COUNTY OF SUBLETTE } SS.

(Individual—Wyo.)

On this 23RD day of JUNE, 19 94, before me personally appeared JAMES M. MILLER, to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that he (or she or they) executed the same as his (or her or their) free act and deed.

My commission expires: 2-2-97

Notary Public

STATE OF
COUNTY OF } SS.

(Individual—Wyo.)

On this ____ day of ____, 19____, before me personally appeared ____, to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that he (or she or they) executed the same as his (or her or their) free act and deed.

My commission expires:

Notary Public

STATE OF
COUNTY OF } SS.

(Corporation—Wyo.)

On this ____ day of ____, 19____, before me appeared ____, to me personally known, who, being by me duly sworn, did say that he is the ____ President of ____, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said ____ acknowledged said instrument to be the free act and deed of said corporation.

My commission expires:

Notary Public

STATE OF
COUNTY OF } SS.

(Certificate of Recording)

This instrument was filed for record on the ____ day of ____, 19____ at ____ o'clock ___M and recorded in Book ____ at Page ____ of the records of this office.

Register of Deeds

By ____ Deputy

AFTER RECORDING, RETURN TO: ____

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated June 20, 1994 by and between James M. Miller, a single man, Lessor, and Starwood, Inc., a Texas Corporation, Lessee, to-wit:

DESCRIPTION OF LANDS:

Township 31 North, Range 110 West, 6th P.M.
Section 7: Lot 3(31.06), Lot 4(30.98), SE/4SW/4
Section 17: NW/4NE/4, S/2NE/4, NE/4SW/4, SW/4SW/4, SW/4SE/4
Section 18: Lot 1(30.91), NE/4NW/4, NW/4NE/4, S/2NE/4, NE/4SE/4
Section 20: NW/4NE/4, NE/4NW/4

Township 31 North, Range 111 West, 6th P.M.
Section 11: S/2NE/4, SE/4
Section 12: S/2N/2, S/2
Section 13: N/2N/2
All above lands containing 1,532.95 acres, more or less.

NOTWITHSTANDING anything to the contrary contained in the printed portion of the lease to which this Exhibit "A" is attached, Lessor and Lessee also agree as follows:

1) The royalty is one-eighth (1/8) before payout and shall increase to 15% after payout. Payout shall be defined as after recovery of all costs of drilling, completing, reworking and equipping any well or wells of all lands herein described or pooled herewith, less operating costs.

2) Once initial production from this lease begins, if the sum of the royalty paid Lessors from the date of first production to the one (1) year anniversary date or any subsequent one (1) year period is less than the annual rental payment provided in this lease, then Lessee agrees to pay Lessor the difference between the royalty paid to Lessor for the previous one (1) year period and the annual rental amount provided by this lease. If payment is not tendered by Lessee to Lessor(s) within ninety (90) days from the anniversary date that a deficiency in royalty occurs as described above this lease shall terminate as to all parties.

3) Lessee is hereby granted the right and power at any time and from time to time to pool only parts of said lease with land or leases adjacent and only the prescribed or required acreage necessary to abide by the State law, order, rule or regulation set aside in the Spacing Order.

4) If a producing well on an adjacent lease is pooled with only parts of said lease as required by the State law, order, rule or regulation set aside in the Spacing Order, that pooled portion of said lease shall not be construed as valid lease production and the portion of the lease not pooled will terminate at the end of the primary term, subject to part 5 herein. Lessee will be allowed to segregate that portion of pooled acreage (not to exceed 640 acres for a gas well and 320 acres for an oil well) from the lease.

5) Production from any well drilled hereunder shall not serve to extend the term hereof for a period of more than one (1) year subsequent to the end of the primary term hereof, except as to such lands as are contained in the spacing unit in which any such well is located; provided, however, that Lessee may maintain this lease in full force and effect as to all formations beyond said period as to all lands covered hereby so long as Lessee engages in and commences in actual drilling operations on at least one (1) test well prior to the end of said one (1) year period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least one test well during each succeeding one (1) year period.

[redacted] [redacted] [redacted]

6) Lessor shall have the right, at his sole risk and expense, to make a connection downstream from the wellhead, and use, free of cost, gas from any producing well located on lands covered by this lease for electricity and heat for any principal dwelling or building on leased premises, provided, however, that Lessor shall use said gas for his personal use and not for any commercial purpose. Lessor further agrees to release and hold Lessee, or his assignees, harmless from any action, legal or otherwise, as a result of any losses or damages incurred by Lessor's actions regarding the connections, and the taking and/or using of said gas. A written agreement between Lessor and Lessee shall govern the specific terms of gas availability and delivery.

7) Lessee shall notify Lessor in advance of staking and building a location.

8) Location site for any well or wells on leased premises shall not exceed two acres unless agreed upon before construction of location.

9) At the time of staking the location, Lessee shall pay to Lessor appraisal land value price for roadway right-of-way and location site. If production is encountered, annual payment, to be determined, shall be paid to Lessor for that portion of land taken out of production. If a dry hole, payment shall be for no less than five (5) years and for no more than ten (10) years; this payment is solely for land restoration.

10) If drilling of a well is on irrigated meadow land, drilling will be permitted from October 15 to March 1.

11) If any irrigation ditches or canals are disturbed during construction, drilling or completion, all ditches and canals will be reconstructed immediately so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

12) Upon completion of drilling any and all wells, drilling mud shall be removed, location site and access road shall be restored to as near as possible their original state and re-seeded.

13) Drilling sites will be fenced to prevent livestock from impeding operations.

SIGNED FOR IDENTIFICATION

James M. Miller

FORM WFS 1960 (6 89)

246

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): William and Doris Degraw

Witness to Signature(s)

Printed Name: William Degraw

Printed Name: Doris Degraw

Project Name: Trunk "E" Pipeline

Land No. 02211

Work Order No. 11156

247771

RECORDED Aug 11, 1994 9:00 AM
IN BOOK 98 Misc PAGE 246
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sexton

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF WYOMING

COUNTY OF Lincoln

On this 29 day of June, 1994, before me personally appeared Doris DeGraw, known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Paula M Ferentchak
Notary Public in and for Lincoln
County, State of Wyoming

My Commission expires:

Nov 16 1995

Paula M. Ferentchak
County of
Lincoln
My Commission Expires
Notary Public
State of
Wyoming
Nov. 16, 1995

ACKNOWLEDGEMENT

STATE OF WYOMING

COUNTY OF Lincoln

On this 29 day of June, 1994, before me personally appeared William DeGraw, known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Paula M Ferentchak
Notary Public in and for Lincoln
County, State of Wyoming

My Commission expires:

Nov 16, 1995

Paula M. Ferentchak
County of
Lincoln
My Commission Expires
Notary Public
State of
Wyoming
Nov. 16, 1995

248

WILLIAMS GAS PROCESSING COMPANY

RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): Flossie DeGraw

Witness to Signature(s)

Flossie DeGraw - Zimmerman
Printed Name: Flossie DeGraw

Project Name: Trunk "E" Pipeline

Land No. 02211

247772

Work Order No. 11156

RECORDED August 11, 1994 9:00 AM
IN BOOK 98 Otb PAGE 248
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF Florida

COUNTY OF Volusia

On this 23rd day of June, 1994, before me personally appeared Flossie DeGraw, known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Lori M. Williams
Notary Public in and for Volusia County, Florida

My Commission expires:

1/18/97

County, State of Florida

LORI M. WILLIAMS
MY COMMISSION # CC 253549
EXPIRES: January 18, 1997
Bonded Thru Notary Public Underwriters

RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

250

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): Charles DeGraw

Witness to Signature(s)

Printed Name: Charles DeGraw

Project Name: Trunk "E" Pipeline

Land No. 02211

Work Order No. 11156

247773

RECORDED Aug. 11, 1994 9:00AM
IN BOOK 98 Oct6 PAGE 250
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sexton

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Sublette

On this 21st day of July, 1994, before me personally appeared Charles DeGraw, known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Lorilyn Pierno
Notary Public in and for Sublette

County, State of Wyoming

My Commission expires:

April 5, 1997

FORM WI S 1960 (6 89)

252

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): Fred DeGraw

Witness to Signature(s)

Fred DeGraw
Printed Name: Fred DeGraw

Project Name: Trunk "E" Pipeline

Land No. 02211

Work Order No. 11156

247774

ALICE L. GRIGGS
County of Sublette
My Commission Expires
Notary Public
State of Wyoming
June 20, 1998

RECORDED Aug. 11, 1994 9:00A M
IN BOOK 98-96 PAGE 252
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Sublette

On this 17th day of June, 1994, before me personally appeared Fred DeGraw, known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Notary Public in and for [redacted] Sublette County, State of Wyoming

My Commission expires:

12/26/97

254

WILLIAMS GAS PROCESSING COMPANY

RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

247775

RECORDED Aug 11, 1994 9:00AM

IN BOOK 98 076 PAGE 254

FEES $ 8.00 COUNTY CLERK

SUBLETTE COUNTY, PINEDALE WYOMING

By Cathy Saxton

STATE OF WYOMING)

:ss.

COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): Robert DeGraw

Toni Thoman

Witness to Signature(s)

Robert A DeGraw

Printed Name: Robert DeGraw

Project Name: Trunk "E" Pipeline

Land No. 02211

Work Order No. 11156

TONI THOMAN
County of
Lincoln
My Commission Expires: 6-02-97

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Lincoln

On this 24th day of June, 1994, before me personally appeared Robert DeGraw, known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Toni Thoman
Notary Public in and for Lincoln
County, State of Wyoming

My Commission expires:

6-02-97

TONI THOMAN
County of
Lincoln
My Commission Expires

Notary Public
State of
Wyoming
6-02-97

256

WILLIAMS GAS PROCESSING COMPANY

RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): Mary Ruth Marx

Witness to Signature(s)

Mary Ruth Marx
Printed Name: Mary Ruth Marx

Project Name: Trunk "E" Pipeline

Land No. 02211

Work Order No. 11156

247776

RECORDED Aug. 11, 1994 9:00 a.M.
IN BOOK 98 Q46 PAGE 256
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

DAMAGE RELEASE

THE UNDERSIGNED, for and in consideration of the amount shown below, the receipt of which is hereby acknowledged, releases Williams Gas Processing Company, its successors, assigns, agents, contractors and employees, from all claims of every kind and character arising out of or in anywise incident to the construction of a pipeline, with appurtenances thereto, over and through the hereinafter described property.

The undersigned owns and/or is legally in possession of the property described below and entitled to execute this Release and receive and receipt for damages for which payment is hereby acknowledged.

DESCRIPTION OF PROPERTY IN SUBLETTE COUNTY, STATE OF WYOMING

Subdivision	Section	Township	Range	B & M
NE/4	20		28 North	113 West

Received of Williams Gas Processing Company the amount of $22.70

DATED THIS 21 DAY OF July, 1994, A.D.

WITNESS; M O Marshall

WITNESS; Karen Tate

By: Mary Ruth Marx
Mary Ruth Marx

LN-02211

Trunk "E" Pipeline

Jan B. Stoddard
Notary Public

Notary Public
JOAN TODD
500 Foothill Drive
Salt Lake City, Utah 84108
My Commission Expires
April 3, 1996
State of Utah

258

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): Marjorie Iverson

Joan Iverson
Witness to Signature(s)

Marjorie Iverson
Printed Name: Marjorie Iverson

Project Name: Trunk "E" Pipeline

Land No. 02211

Work Order No. 11156

247777

RECORDED Aug. 11, 1994 9:00AM
IN BOOK 98 of Misc PAGE 258
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sorton

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF UTAH

COUNTY OF SALT LAKE

On this 6TH day of JULY, 1994, before me personally appeared Marjorie Iverson, known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

D. E. Steadman

Notary Public in and for Salt Lake

My Commission expires:

9-21-94

County, State of Utah

NOTARY PUBLIC
Commission Expires
September 21, 1994
D. E. STEADMAN
1750 West 12600 South
Riverton, Utah 84065

260

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	20	28 North	113 West	6th P.M.

Sixty foot width shall be for construction and maintenance only. Permanent width shall be forty (40) feet in width.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures. Reseeding will be per letter agreement dated July 15, 1993, made a part hereof.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

Grantee and Grantor hereby agree that Grantee will provide Grantor with a centerline description of the right-of-way herein granted within one (1) year of construction of the above facilities and that said right-of-way shall be the Right-of-way/easement herein granted.

WITNESS THE EXECUTION HEREOF THE 15th DAY OF JUNE, 1994.

By:

GRANTOR(S): Wilma Gibson

Libby Mathieson
Witness to Signature(s)

Wilma Gibson
Printed Name: Wilma Gibson

Project Name: Trunk "E" Pipeline

Land No. 02211

Work Order No. 11156

247778

RECORDED Aug. 11, 1994 9:00 AM
IN BOOK 98-076 PAGE 260
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sexton

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF Arizona

COUNTY OF Mohave

On this 1 day of July, 1994, before me personally appeared Wilma Gibson, known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Rose M. Vennetti
Notary Public in and for Mohave

County, State of Arizona

My Commission expires:

My Commission Expires March 18, 1997



AGREEMENT, ASSIGNMENT AND BILL OF SALE

NORTH AMERICAN RESOURCES COMPANY ("Assignor"), a Montana corporation, of 16 East Granite, Butte, Montana 59701, for the payment of Ten and no/100 dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged and subject to the terms and conditions hereof, hereby grants, sells, assigns, and conveys to **PRESIDIO EXPLORATION, INC.**, of 5613 DTC Parkway, Suite 750, P.O. Box 6525, Englewood, Colorado 80155-6525 ("Assignee"):

(a) All of Assignor's right, title and interest in the oil and gas leases and lands located in Sublette County, Wyoming described on Exhibit "A" attached hereto and made a part hereof by this reference (the "Leases"), subject to any royalties, convertible and perpetual overriding royalties, production payments or other similar interests burdening such Leases in favor of third parties or inclusive of ORRI;

(b) All of Assignor's right, title and interest in the wells described on Exhibit "B" (the "Wells") attached hereto and made a part hereof by this reference, equipment, facilities and personal property directly associated with the production of oil, gas or other hydrocarbons from the Wells;

(c) All of Assignor's right, title and interest in the oil, natural gas liquids or condensate inventory, including "line fill" and inventory below the pipeline connection in tanks as of 7:00 a.m., local time, April 1, 1994 (the "Effective Date"); and

(d) From and after the Effective Date, all of Assignor's right, title and interest in contracts and contractual rights, obligations and interests, including all of the presently existing and valid unitization and pooling agreements and the units created thereby (including all units formed by voluntary agreements and those formed under order, regulations, rules or other official acts of any federal, state or governmental agency having jurisdiction), oil, casinghead gas

247805

JAP/40/0487

RECORDED Aug. 12, 19 94 10:40 AM
IN BOOK 98 OR 1 PAGE 262
FEES $ 47.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Safton

and gas sales, purchase, exchange, transportation, operating and processing contracts and agreements, joint operating agreements, farmin and farmout agreements, drilling or exploration agreements, salt water disposal agreements, permits, rights-of-way, easements, licenses, well service contracts and other contracts directly relating to the Leases and Wells (the "Contracts").

It is the further understanding of Assignor and Assignee that:

1. Assignor shall be entitled to all credits and proceeds of production from and accruing to the Leases and Wells prior to the Effective Date and shall be responsible for all costs, expenses, disbursements, obligations and liabilities attributable to the Leases and Wells for periods of time prior to the Effective Date.

2. Assignee shall be entitled to all credits and proceeds of production from and accruing to the Leases and Wells after the Effective Date and shall be responsible for all costs, expenses, disbursements, obligations and liabilities attributable to the Leases and Wells for periods of time after the Effective Date.

3. Assignor agrees to indemnify, defend and hold harmless Assignee from and against any and all claims, liabilities, losses, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees) that are attributable to the Assignor's interest in the Leases, the Contracts and other assets described above and to the period of time prior to the Effective Date (other than relating to the obligation to properly plug and abandon wells or injury to or death of persons occurring after the Effective Date but attributable to conditions that existed before the Effective Date), regardless of whether Assignee was wholly or partially negligent or otherwise at fault.

4. Assignee agrees to indemnify, defined and hold harmless Assignor, its

agents and representatives from and against any and all claims, liabilities, losses, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees) that are attributable to the Leases, the Contracts and other assets described above and to the period of time after the Effective Date (including, without limitation, with respect to the obligation to properly plug and abandon the Wells now or hereafter located on the Leases, and with respect to damage to property, or injury to or death of persons, occurring after the Effective Date but attributable in whole or in part to conditions that existed before the Effective Date), regardless of whether Assignor, its agents and representatives were wholly or partially negligent or otherwise at fault.

Assignor will, at any time and from time to time after the date hereof, upon Assignee's request, execute, acknowledge and deliver or cause to be executed and delivered, all further documents or instruments necessary to effect the transaction embodied in this Agreement, Assignment and Bill of Sale.

Assignor makes no representation or warranty of title to the interests assigned hereby other than against the claims of third parties claiming the same or any part thereof by, through and under Assignor. With respect to the Wells, personal property, and equipment assigned hereby, this Agreement, Assignment and Bill of Sale is made without representation or warranty of title expressed or implied, and all such equipment, Wells and personal property are sold AS IS AND WHERE IS, WITH ALL FAULTS, AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR WITHOUT WARRANTY OF MERCHANTABILITY, CONDITION OF FITNESS FOR PARTICULAR PURPOSE, AND ANY AND ALL WARRANTIES, WHETHER EXPRESSED OR IMPLIED, ARE HEREBY EXPRESSLY DENIED. This conveyance is made with full substitution and subrogation of Assignee, its successors and assigns, to the rights of Assignor under, in and to all warranties made by others with respect to the rights, titles and interests being conveyed hereunder.

To have and to hold the same unto Assignee, its successors and assigns

forever. Assignee, in consideration of the mutual benefits to be derived hereunder, by its acceptance hereof, understands and agrees to the following terms and conditions:

1. As of closing of this transaction, Assignee shall take possession of the property sold and assigned hereby and shall take over custody, responsibility and control of all suspended funds (if any), accounting, lease maintenance, and other functions relating to the Wells, Leases and lands assigned hereby, and where applicable and where possible, all operations of such Wells, Leases and lands;

2. Assignor hereby transfers and conveys to Assignee, to the extent such rights are transferable, all rights or actions which Assignor may hold over and against any prior grantors, warrantors or third parties with respect to the properties hereby assigned so that Assignee is fully substituted and subrogated in and to all such rights.

EXECUTED this 15th day of July, 1994, effective for all purposes as of 7:00 a.m., local time, on April 1, 1994.

ASSIGNOR:

ATTEST:

NORTH AMERICAN RESOURCES COMPANY

By: _____

Gloria J. Rogers, Asst. Secretary

James J. Benner

Vice President & General Manager

ASSIGNEE:

ATTEST:

PRESIDIO EXPLORATION, INC.

By: _____

Sarah J. Jones
Assistant Secretary

Robert L. Smith

Its: President

JAP/40/0487

ACKNOWLEDGEMENTS

State of Colorado)
) ss.
County of Arapahoe)

On this 21st day of July, 1994, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared Robert L. Smith, to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument, as President of **PRESIDIO EXPLORATION, INC.** and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Notary Public in and for the State of Colorado

NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires:
My Commission Expires October 25, 1994

ACKNOWLEDGEMENTS

State of Montana)
) ss.
County of Silverbow)

On this 15th day of July, 1994, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared **James J. Benner**, to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its Vice President and General Manager, of **NORTH AMERICAN RESOURCES COMPANY** and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires:
11-26-1997

Notary Public in and for the State of Montana

JAP/40/0487

EXHIBIT "A" PAGE 1 OF 7

ATTACHED TO AND MADE A PART OF THAT CERTAIN AGREEMENT, ASSIGNMENT AND BILL OF SALE , EFFECTIVE 04/01/94, BY AND BETWEEN NORTH AMERICAN RESOURCES COMPANY, ASSIGNOR, AND PRESIDIO EXPLORATION, INC., ASSIGNEE.

COUNTY: SUBLETTE
STATE: WYOMING

LEASE NO BOOK/PAGE	LSE DATE	LESSOR	LESSEE	TOWNSHIP	RANGE	SECTION	DESCRIPTION
WY081770	09/01/76	BUREAU OF LAND MGMT CHEYENNE W-54471	ANGELO LIBERATORE	28N	112W	35	E2SE4, SW4SE4, LOTS 1,2,3,SE4NE4
WY081771	02/07/85	STATE OF WYOMING TEMP USE #50	ENERGETICS OPERATING CO	28N	112W	36	PTN NW4NW4 (ACCESS ROAD) 2.12 AC
WY081780	02/11/85	BUREAU OF LAND MGMT CHEYENNE W-87735	ENERGETICS INC	28N	112W	25	AN ACCESS ROAD RIGHT-OF WAY 50' WIDE ACROSS SE4SW4NE4,NW4NW4SE4, SE4NE4SW4,NW4SE4SW4 AND SE4SW4SW4
						36	AN ACCESS ROAD RIGHT-OF-WAY 50' WIDE ACROSS SE4NE4NE4, NE4SE4NE4 NW4SE4NE4 AND SW4SE4NE4
WY081790	10/01/78	BUREAU OF LAND MGMT CHEYENNE W-64986	BELCO PETROLEUM CORP	27N	112W	11 14	S2 NW4
WY082230 64,633	07/01/72	BUREAU OF LAND MGMT CHEYENNE W-35399	JOHN I WESTON	27N	111W	15	N2

ATTACHED TO AND MADE A PART OF THAT CERTAIN AGREEMENT, ASSIGNMENT AND BILL OF SALE, EFFECTIVE 04/01/94, BY AND BETWEEN NORTH AMERICAN RESOURCES COMPANY, ASSIGNOR, AND PRESIDIO EXPLORATION, INC., ASSIGNEE.

COUNTY: SUBLETTE
STATE: WYOMING

LEASE NO BOOK/PAGE	LSE DATE	LESSOR	LESSEE	TOWNSHIP	RANGE	SECTION	DESCRIPTION
WY082240 64, 638	04/01/76	BUREAU OF LAND MGMT CHEYENNE W-54136	SAM V MORSE	27N	111W	14 15	ALL S2
WY082270 57, 369	10/01/72	BUREAU OF LAND MGMT CHEYENNE W-36422	JEAN D TRUE	27N	111W	22 25 23 26	N2 W2, SE4 ALL ALL
WY082290 57,187	11/01/78	BUREAU OF LAND MGMT CHEYENNE W-62508	R L BILLINGS	27N	111W	29	W2NE4, SE4NE4, W2, SE4
WY082300 57, 280	05/01/72	BUREAU OF LAND MGMT CHEYENNE W-34033	ROBERT W DAVID ATTORNEY AT LAW	27N	111W	29	NE4NE4
WY082310 57, 195	07/01/78	BUREAU OF LAND MGMT CHEYENNE W-63821	JAMES M TURLINGTON	27N	111W	32	LOT 3 (29.83), LOT 4 (30.03), NE4, N2SE4
WY082320 62, 46	06/01/79	BUREAU OF LAND MGMT CHEYENNE W-67808	HOUSTON G WILLIAMS	27N	111W	06 07 18 19	N2NE4 SE4 E2E2 E2E2

208

ATTACHED TO AND MADE A PART OF THAT CERTAIN AGREEMENT, ASSIGNMENT AND BILL OF SALE , EFFECTIVE 04/01/94, BY AND BETWEEN NORTH AMERICAN RESOURCES COMPANY, ASSIGNOR, AND PRESIDIO EXPLORATION, INC., ASSIGNEE.

COUNTY: SUBLETTE
STATE: WYOMING

LEASE NO BOOK/PAGE	LSE DATE	LESSOR	LESSEE	TOWNSHIP	RANGE	SECTION	DESCRIPTION
WY082330 59, 7	07/01/79	BUREAU OF LAND MGMT CHEYENNE W-68117	OLE M HANSON	27N	111W	08 17 20	S2SW4 W2 NW4, SE4, NW4SW4, S2SW4
WY082340 61, 447	08/01/75	BUREAU OF LAND MGMT CHEYENNE W-51347	ADA WOOD	27N	111W	05 06 07 08	W2 S2NE4, SE4 NE4 NW4, N2SW4
WY082350 63, 605	07/01/72	BUREAU OF LAND MGMT CHEYENNE W-35398	HELEN MUNSON DONALDSON LI C/O MERRILL-LYNCH PRIV CL	27N	111W	08 17	SW4SE4 NE4
WY082360	09/01/77	BUREAU OF LAND MGMT CHEYENNE W-59776	DOROTHY LANGLEY	27N	111W	20	NE4SW4
WY082370	03/31/76	BUREAU OF LAND MGMT CHEYENNE W-54137	MELVIN MEESTER	27N	111W	20 17 33	NE4 SE4 NW4SW4
WY082380	05/21/78	BUREAU OF LAND MGMT CHEYENNE W-63490	SUPERIOR OIL CORP	27N	111W	32	LOT 2 (29.65), NW4, N2SW4

ATTACHED TO AND MADE A PART OF THAT CERTAIN AGREEMENT, ASSIGNMENT AND BILL OF SALE, EFFECTIVE 04/01/94, BY AND BETWEEN NORTH AMERICAN RESOURCES COMPANY, ASSIGNOR AND PRESIDIO EXPLORATION, INC., ASSIGNEE

COUNTY: SUBLETTE
STATE: WYOMING

LEASE NO BOOK/PAGE	LSE DATE	LESSOR	LESSEE	TOWNSHIP	RANGE	SECTION	DESCRIPTION
WY082420 68,347	04/28/78	BUREAU OF LAND MGMT CHEYENNE W-62791	ROBERT W MYERS	28N	111W	31	LOT 1 (26.11), LOT 2 (26.34), LOT 3 (26.56), LOT 4 (26.79),E2W2, W2SE4
				28N	112W	25	E2 OF LOT 1 (20.64), LOT 3 (41.10), LOT 4 (40.82), LOT 6 (30.22), LOT 7 (40.54), SE4SW4NE4 SE4NE4SW4, SE4SW4, W2SE4
WY082440	02/01/78	BUREAU OF LAND MGMT CHEYENNE W-62117	R KEN WILLILAMS	27N	111W	28	NW4, N2SW4, SE4SW4, SE4 NE
WY082450	09/01/79	BUREAU OF LAND MGMT CHEYENNE W-68454	EDWARD H JUDSON	27N	111W	28	SW4SW4
WY082780 71, 310	01/01/74	BUREAU OF LAND MGMT CHEYENNE W-42781	ARTHUR RUPE	27N	111W	09	W2
WY082790 69,266	11/02/72	STATE OF WYOMING 72-28069	BETTY B SHAFFER	27N	111W	16	N2
WY082800	01/01/76	BUREAU OF LAND MGMT CHEYENNE W-53094	OWEN P MILES JR	27N	111W	33	LOTS 1, 2, NE4SW4

270

ATTACHED TO AND MADE A PART OF THAT CERTAIN AGREEMENT,ASSIGNMENT AND BILL OF SALE , EFFECTIVE 04/01/94, BY AND BETWEEN NORTH AMERICAN RESOURCES COMPANY, ASSIGNEE, AND PRESIDIO EXPLORATION, INC., ASSIGNOR.

COUNTY: SUBLETTE
STATE: WYOMING

LEASE NO BOOK/PAGE	LSE EXP DATE	LESSOR	LESSEE	TOWNSHIP	RANGE	SECTION	DESCRIPTION
WY082950 48, 632	12/29/72	FIRST NATL.BANK OF KEMMERER	THOMAS F STROOCK	28N	111W	07	LOTS 1, 2, 3, 4, E2, E2W2
						18	LOTS 2, 3, 4, NW4NE4, E2NW4
WY082960 64, 526	03/16/82	ALBERTA E JARDINE	BELCO PETROLEUM CORP	28N	111W	07	E2E2
						18	E2SW4
WY082961 64, 526	03/16/82	BEATRICE P BACON	BELCO PETROLEUM CORP	28N	111W	07	E2E2
						18	E2SW4
WY082962 51, 568	08/04/75	PATRICIA STEDMAN ET VIR	BELCO PETROLEUM CORP	28N	111W	07	E2E2
						18	E2SW4
WY082970 66, 419	03/16/79	BUREAU OF LAND MGMT CHEYENNE W-67178	PHYLLIS HANSON	27N	112W	01	LOT 1 (40.02), LOT 2 (40.08), LOT 3 (40.12), LOT 4 (40.18), S2N2
WY082980 57, 79	10/01/78	BUREAU OF LAND MGMT CHEYENNE W-64985	L A WALSTROM JR	27N	112W	01	SW4
						02	LOT 8 (38.35), NE4SW4, S2SW4, SE4
						12	N2NW4

EXHIBIT "A" PAGE 6 OF 7

ATTACHED TO AND MADE A PART OF THAT CERTAIN AGREEMENT, ASSIGNMENT AND BILL OF SALE , EFFECTIVE 04/01/94, BY AND BETWEEN NORTH AMERICAN RESOURCES COMPANY, ASSIGNOR, AND PRESIDIO EXPLORATION, INC., ASSIGNEE.

COUNTY: SUBLETTE
STATE: WYOMING

LEASE NO BOOK/PAGE	LSEDATE	LESSOR	LESSEE	TOWNSHIP	RANGE	SECTION	DESCRIPTION
WY082430 61,461	03/07/81	DANIEL E CHAPEL	JAMES A ERICKSON	28N	112W	24	LOT 9 (13.79), LOT 11 (36.42), SE4SW4
						25	LOT 2 (39.91), LOT 5 (30.84), N2NW4 SE4NW4
						26	LOT 1 (5.87), LOT 7 (8.44) AND ALL THAT PART OF THE GREEN RIVER RIPARIAN THERETO
WY082990	07/01/76	BUREAU OF LAND MGMT CHEYENNE W-77883	FREDA ESPOSITO	28N	111W	20	E2
						29	E2
						32	E2
WY083350	02/01/73	BUREAU OF LAND MGMT CHEYENNE W-38071	JOAN CHORNEY	28N	111W	21	SE4
WY083370	05/01/76	BUREAU OF LAND MGMT CHEYENNE W-54466	HARRY K VEAL	28N	111W	17	W2
						20	SW4

272

ATTACHED TO AND MADE A PART OF THAT CERTAIN AGREEMENT, ASSIGNMENT AND BILL OF SALE , EFFECTIVE 04/01/94, BY AND BETWEEN NORTH AMERICAN RESOURCES COMPANY, ASSIGNOR, AND PRESIDIO EXPLORATION, INC., ASSIGNEE.

COUNTY: SUBLETTE
STATE: WYOMING

LEASE NO BOOK/PAGE	LSE DATE	LESSOR	LESSEE	TOWNSHIP	RANGE	SECTION	DESCRIPTION
WY082431 48, 628	12/29/72	THE FIRST NATIONAL BANK OF KEMMERER AS TRUSTEE OF THE FEAR FAMILY TRUST	THOMAS F STROOK	28N	112W	24	LOTS 9, 11, SE4SW4
						25	LOTS 2, 5, N2NW4, SE4NW4
						26	LOTS 1, 7
				29N	111W	28	LOTS 2,3,4,8,9, S2NW4, N2SW4, SWSE4

213

EXHIBIT "B"
Attached to and made a part of that certain Assignment effective April 1, 1994 between North American Resources Company, Assignor and Presidio Exploration, Inc. Assignee

Sublette
Wyoming

WELL NAME	LOCATION
Heron State 10-16	T27N-R111W Section 16: NW4
Federal (Osprey) 20-28	T27N-R111W Section 28: NE4
Federal (Osprey) 40-28	T27N-R111W Section 28: SE4
Federal 10-5	T27N-R111W Section 5: NW4
Federal 10-8	T27N-R111W Section 8: NW4
Federal 10-17	T27N-R111W Section 17: NW4
Federal 10-20	T27N-R111W Section 20: NW4
Federal 10-28	T27N-R111W Section 28: NW4
Federal 10-29	T27N-R111W Section 29: NW4
Federal 10-32	T27N-R111W Section 32: NW4
Federal 20-7	T27N-R111W Section 7: NE4
Federal 20-17	T27N-R111W Section 17: NE4
Federal 20-20	T27N-R111W Section 20: NE4
Federal 20-29	T27N-R111W Section 29: NE4
Federal 30-4	T26N-R111W Section 4: SW4
Federal 30-8	T27N-R111W Section 8: SW4
Federal 30-15	T27N-R111W Section 15: W2
Federal 30-17	T27N-R111W Section 17: SW4
Federal 30-28	T27N-R111W Section 28: SW4
Federal 40-6	T27N-R111W Section 6: SE4
Federal 40-7	T27N-R111W Section 7: SE4
Federal 40-17	T27N-R111W Section 17: SE4
Federal 40-20	T27N-R111W Section 20: SE4
Federal 40-29	T27N-R111W Section 29: SE4
Federal 40-32	T27N-R111W Section 32: SE4

EXHIBIT "B"
Attached to and made a part of that certain Assignment effective April 1, 1994 between North American Resources Company, Assignor and Presidio Exploration, Inc., Assignee

Sublette
Wyoming

WELL NAME	LOCATION
True Federal 10-22	T27N-R111W Section 22: NW4
Federal 30-20	T27N-R111W Section 20: SW4
Federal 30-31	T28N-R111W Section 31: SW4
Federal 10-31	T28N-R111W Section 31: NW4
Federal 20-6	T27N-R111W Section 6: NE4
Federal 10-1	T27N-R112W Section 1: NW4
Esposito Federal 40-20	T28N-R111W Section 20: SE4
Walstrom Federal 30-1	T27N-R112W Section 1: SW4
Hanson Federal 20-1	T27N-R112W Section 1: NE4
Yose Cattle Co 40-35	T28N-R112W Section 35: SE4
Beck Federal 10-27	T26N-R111W Section 27: NW4
Federal 10-9	T27N-R111W Section 9: NW4
Esposito Federal 40-32	T28N-R111W Section 32: SE4
Esposito Federal 40-29	T28N-R111W Section 29: SE4
Amoco AG-1	T27N-R111W Section 18: SE4
Amoco AH-1	T27N-R111W Section 19: NE4
Amoco AJ-1	T27N-R111W Section 18: NE4
Figure Four 11-14	T27N-R112W Section 14: NW4
Figure Four 7-31	T28N-R111W Section 31: SE4
Chapel Canyon Unit 30-18	T28N-R111W Section 18: SW4

276

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, OGM Resources, 1645 Court Place, Suite 205, Denver, Colorado 80202 (hereinafter referred to as Assignor) for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby convey, transfer, assign and set over unto Snyder Oil Corporation, 1645 Court Place, Suite 2200, Denver, Colorado 80202 hereinafter referred to as Assignee) all of Assignor's right, title and interest under the Oil and Gas Lease described below:

Oil and Gas Lease dated _____, from SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

to OGM Resources, 1645 Court Place, Suite 205, Denver, Colorado 80202, recorded in Book _____, Page _____ of the County records, insofar as said Lease covers the following described land in Sublette County, State of Wyoming.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

247816

RECORDED August 15, 1994 8:40AM
IN BOOK 98 Oth PAGE 276
FEES $ 14.00 Mary [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

TO HAVE AND TO HOLD the interests herein transferred and assigned unto Assignee, its successors and assigns forever. This Assignment is made without warranty of any kind or nature, express or implied.

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of this 6th day of July, 1994.

OGM Resources
a Sole Proprietorship

By: _____
Robert L. Schuh, Sole Proprietor

STATE OF COLORADO)
) SS
COUNTY OF DENVER)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 6th day of July, 1994, personally appeared Robert L. Schuh, Sole Proprietor of OGM Resources, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed 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 official seal the day and year last above written.

My commission expires: July 10, 1995

Mary Kay Chamberlain
Notary Public

EXHIBIT "A"

LESSOR	DESCRIPTION	GROSS ACRES	RECORDED/BOOK	PAGE NO.
Beth L. Luzmoor and David S. Luzmoor, wife and husband	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	96	697
Roger Pulley and Barbara Pulley, husband and wife	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	96	699
John Pulley and Jane A. Pulley, husband and wife	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	96	701
Ann Marie Case and R. R. Case, wife and husband	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	703
Catherine Canestrini and Richard J. Canestrini, wife and husband	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	705

277

278

LESSOR	DESCRIPTION	GROSS ACRES	RECORDED/BOOK	PAGE NO.
John B. Erramouspe and Wilma R. Erramouspe, husband and wife	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	707
Joseph J. Erramouspe and Barbara J. Erramouspe, husband and wife	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	709
Sister Miriam Grace, a/k/a Sister Miriam Grace Erramouspe, a/k/a Mary Jean Erramouspe	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	711

LESSOR	DESCRIPTION	GROSS ACRES	RECORDED/BOOK	PAGE NO.
Vella Mae Fryburger, fka Vella Mae Pulley and Charles E. Fryburger, wife and husband	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	96	713
Kent Pulley and Ruth Pulley, husband and wife	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	96	715
Marguerite Louise Sellyei and Joseph Sellyei, wife and husband	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	717
Grace Mossman and John Mossman, wife and husband	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	719

278

LESSOR	DESCRIPTION	GROSS ACRES	RECORDED/BOOK	PAGE NO.
Paul S. Erramouspe and Suzan Erramouspe, husband and wife	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19; NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	721
Bernadette Gosar, a married woman dealing in her sole and separate property	TOWNSHIP 28 NORTH, RANGE 106 WEST 6TH P.M. Section 4: Lots 2, 3, 4 Section 5: Lot 1, SE/4SE/4 Section 8: E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4 Section 17: W/2NW/4 Section 18: SE/4NE/4, W/2SE/4, SE/4SW/4 Section 19: NE/4NW/4 Section 23: SW/4 Section 26: NW/4NW/4	978.71	96	723
Carol A. Miller and Steven E. Miller, wife and husband	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	96	725
Irene M. Pulley, a widow	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	96	727
Sandford T. Pulley, a single man	TOWNSHIP 27 NORTH, RANGE 106 WEST 6TH P.M. Section 34: E/2NE/4 Section 35: W/2NW/4	160.00	97	349

280

page 280 is duplicated

[redacted]

Producers 88
Rocky Mountain 1989

PA [redacted]

OIL AND GAS LEASE

247875

RECORDED Aug [redacted] 1994 8:36AM
IN BOOK 98 Opt PAGE 280
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton

THIS AGREEMENT, made and entered into this 11th day of February 19 94, by and between
Bonnie A. Doubleday and Gilbert R. Doubleday, wife and husband, individually
and as heirs of Marian L. Angus, a deceased person,
of 1400 Disney Dr., Metairie, LA 70003, hereinafter called lessor (whether one or more), and
Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ ********) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as delined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incidant to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 31 North, Range 115 West, 6th P.M.

Section 24: SW¼SW¼ Section 25: W½ Section 26: NE¼NE¼
Section 35: NE¼SE¼ Section 36: W½

containing 760.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

~~3. If lessee has not commenced drilling operations on or before the _____ day of _____, 19_____, this lease~~ shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the _____ Bank, at _____ (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of _____ DOLLARS ($_____), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to ~~keep the lease in force during the remainder of the primary term~~.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted, and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, ~~in the depository bank named in the lease~~, a sum equal to the amount of ~~delay rentals payable under the lease~~ $1.00 per ac. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in ~~royalty payment~~ anniversary date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate this lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's eight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, ~~that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and~~ if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay ~~an annual delay rental~~ on the anniversary dates hereof ~~in the manner and in the amounts here provided~~ of $1.00 per net mineral acre then covered by this lease. 60 | 9 yrs

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. This is a paid-up rental lease. All annual rental payments have been paid in advance to keep this lease in force & effect throughout the primary term stated herein.

WHEREOF witness our hands as of the day and year first above written.

447-46-6843
Social Security No.

Bonnie A. Doubleday
Bonnie A. Doubleday

437-46-4251

Gilbert R. Doubleday
Gilbert R. Doubleday

STATE OF LOUISIANA
PARISH ~~OR COUNTY~~ OF JEFFERSON } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 12th day of July, 19 94, before me personally appeared Bonnie A. Doubleday and Gilbert R. Doubleday to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 12th day of July, 19 94.

My commission ~~expires~~ is for life.

Notary Public for the State of Louisiana
residing at Harahan, Louisiana

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 _____.

My commission expires:

Notary Public for the State of _____
residing at _____

Rocky Mountain 1989 [redacted]

OIL AND [redacted] LEASE

[redacted] 247875
247876

IN BOOK 98 [redacted] PAGE 282
FEES 12.00 [redacted] COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

THIS AGREEMENT, made and entered into this 20th day of July, 1994, by and between Gordon M. Mickelson and Margaret G. Mickelson, husband and wife

of P.O. Box 189, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

See Exhibit "A" and "Addendum to Oil and Gas Lease", both Attached hereto and by this reference made a part hereof.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~XXXXX~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

~~3. If lessee has not commenced drilling operations on or before the _____ day of _____, 19_____, this lease~~ shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the _____ Bank, at _____ (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of _____ DOLLARS ($_____), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to ~~keep the lease in force during the remainder of the primary term.~~

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, ~~as the depository bank under the lease,~~ a sum equal to ~~the amount of the delay rentals~~ $1.00 per acre payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the ~~rental paying~~ anniversary date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. ~~Lessee 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 above~~ and as to any one or more of the formations hereunder, to pool or unitize 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 lease. 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.~~

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay delay rental at the anniversary dates hereof in the amount above stated.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

This is a paid-up lease. All annual rental payments have been paid in advance to keep this lease in force and effect throughout the primary term stated herein.

Gordon M. Mickelson

Margaret G. Mickelson

520-42-7981
Social Security No.

520-20-6475
Social Security No.

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 21st day of July, 1994, before me personally appeared Gordon M Mickelson and Margaret G Mickelson to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 21st day of July, 1994.

My commission exprires: November 4, 1996

LEIA L. SANDERS
NOTARY PUBLIC
Sublette County, Wy
My Commission expires
11-4-96

Leila L Sanders
Notary Public for the State of Wyoming
residing at Big Piney, Wyoming

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 ____, before me personally appeared _____

to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 ____.

My commission expires:

_____

Notary Public for the State of _____

residing at _____

[redacted] [redacted] [redacted]

next ensuing net mineral acre rental on the $1.00 per

Exhibit "A"

Attached to and made a part of that certain Oil & Gas Lease dated July 20, 1994 by and between Gordon M. Mickelson and Margaret G. Mickelson, husband and wife, Lessors, and Contex Energy Company, Lessee, to-wit:

DESCRIPTION OF LANDS:

Township 31 North, Range 113 West, 6th P.M.

Section 15: S½N½, N½SW¼, NW¼SE¼
Section 20: N½NE¼, SW¼NE¼, NW¼SW¼, NW¼
Section 21: W½NE¼, E½NW¼, NW¼NW¼, E½SE¼
Section 22: SW¼
Section 23: N½SW¼
Section 27: W½NE¼, E½NW¼, NW¼NW¼, NW¼SE¼
Section 28: N½NE¼

containing 1,440.00 acres, more or less.

Signed for Identification:

Gordon M. Mickelson
Gordon M. Mickelson

Margaret G. Mickelson
Margaret G. Mickelson

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Gordon M. Mickelson and Margaret G. Mickelson, husband and wife, Lessors, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall, by this reference, be amended to read sixteen and one-half percent (16½%). Lessor shall not bear any "on lease" transportation or processing costs.

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any part thereof, shall be, for the purpose of computing royalties to be paid to Lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) prior to the expiration of the three-year period after expiration of the primary term, Lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

4. During the lease period Lessee shall not be allowed to conduct seismic operations on Lessor's hay meadows during times when same are under irrigation or are being harvested (said Period of exclusion is expected to be approximately from May 1 through August 31). If Lessee employs methods of geophysical exploration whereby drill holes and explosive charges are used, then and only in such case, Lessee shall pay Lessor One Hundred Fifty ($150.00) for each drill hole that Lessee drills upon the Leased lands and shall post a Ten Thousand Dollor ($10,000.00) bond, at a local bank, for the purpose of guaranteeing proper plugging and reclamation of such drill holes.

Signed for Identification:

Gordon M. Mickelson

Gordon M. Mickelson

Margaret G. Mickelson

Margaret G. Mickelson

[redacted]

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

247877

RECORDED Aug. 19, 1994 8:35 AM
IN BOOK 98 of R
FEES 10.00
PAGE 286
SUBLETTE COUNTY CLERK
By Cathy Saxton

THIS AGREEMENT, made and entered into this 20th day of July, 19 94, by and between
Circle Cattle Company (a Wyoming partnership)

of P.O. Box 189, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and
Contex Energy Company, 1645 Court Place, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *******) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 31 North, Range 113 West, 6th P.M.
Section 22: SE¼

containing 160.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~XXXXX~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

~~3. If lessee has not commenced drilling operations on or before the _____ day of _____, 19____, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the _____ Bank, at _____ (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of _____ DOLLARS ($_____), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.~~

~~4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.~~

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, ~~XXXX

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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall be suspended during any such period of suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay such delay rental at the anniversary dates hereof in the same amount as above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. See Addendum attached hereto, and by this reference made a part hereof.

WHEREOF witness our hands as of the day and year first above written.

This is a paid-up lease. All annual rental payments have been paid in advance to keep this lease in force and effect throughout the primary term stated herein.

$1.00 per net mineral acre rental on the next ensuing

Circle Cattle Company

By: Gordon M. Mickelson

38 0183 765

Tax ID No.

STATE OF Wyoming }
COUNTY OF Sublette } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 21st day of July, 1994, before me personally appeared Gordon M. Mickelson to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that he executed the same as his free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 21st day of July, 1994.

My commission expires: November 4, 1996

LELA L. SANDERS
NOTARY PUBLIC
Sublette County, WY
My Commission expires
11-4-96

Lela L. Sanders
Notary Public for the State of Wyoming
residing at Big Piney, Wyoming

STATE OF _____ }
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 ____, before me personally appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 ____.

My commission expires:

_____

Notary Public for the State of _____

residing at _____

[redacted] [redacted] [redacted]

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Circle Cattle Company (a Wyoming partnership), Lessors, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall, by this reference, be amended to read sixteen and one-half percent (16½%). Lessors shall not bear any "on lease" transportation or processing costs.

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any part thereof, shall be, for the purpose of computing royalties to be paid to Lessors, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) prior to the expiration of the three-year period after expiration of the primary term, Lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

4. During the lease period Lessee shall not be allowed to conduct seismic operations on Lessors' hay meadows during times when same are under irrigation or are being harvested (said Period of exclusion is expected to be approximately from May 1 through August 31). If Lessee employs methods of geophysical exploration whereby drill holes and explosive charges are used, then and only in such case, Lessee shall pay Lessors One Hundred Fifty ($150.00) for each drill hole that Lessee drills upon the Leased lands and shall post a Ten Thousand Dollor ($10,000.00) bond, at a local bank, for the purpose of guaranteeing proper plugging and reclamation of such drill holes.

Signed for Identification:

Circle Cattle Company (a Wyoming Partnership)

By: Gordon M. Michels

289

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

247878

RECORDED Aug. 19 19 94 8:35a
IN BOOK 98 Of 6
FEES 12.00 PAGE 289
SUBLETTE COUNTY CLERK
By Cathy Sexton

THIS AGREEMENT, made and entered into this 20th day of July, 19 94, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Misc. Records of Sublette Co., Wy. of 333 Broadway, Rock Springs, WY 82901, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ----------ten and more---------- dollars ($ 10.00----------) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Refer to EXHIBIT "A" attached hereto and made a part hereof.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 20th day of July, 19 95, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Rock Springs National Bank Bank, at Rock Springs, WY 82901 (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of Seven hundred six and 30/100ths DOLLARS ($ 706.30), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize the leasehold and the mineral estate covered by this lease with other lands 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, leases in the vicinity of whether

authority shall [redacted] with respect to such other land, lease or leases. Like [redacted] previously formed to include formations not producing [redacted] may be reformed to exclude such n[redacted] formations. The forming or reforming of any unit sh[redacted] lished by lessee executing and filing of record a de[redacted] such unitization or reformation, wh[redacted]n shall describe the unit. Any unit may include land [redacted] well has theretofore been completed or upon which drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

20. Refer to Addendum to Oil and Gas Lease attached hereto and made a part hereof.

Attest: Patricia A. Greenlee

Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963

By: Jack Robertson, Trust Officer

INDIVIDUAL, Wyoming, Montana, Colorado

STATE OF _____ }
COUNTY OF _____ } ss.

On this _____ day of _____, 19 _____, before me personally appeared _____

to me known to be the person _____ described in, and who executed the foregoing instrument, and who acknowledged to me that _____ he _____ executed the same as _____ free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this _____ day of _____, 19_____.

My commission exprires:

_____

Notary Public for the State of _____,
residing at _____

STATE OF WYOMING }
COUNTY OF Sweetwater } ss.

CORPORATE, Wyoming, Montana, Colorado

On this 22nd day of July, 19 94, before me personally appeared Jack Robertson

to me personally known, who, being by me duly sworn, did say that he is the Trust Officer President (or Secretary) of The Rock Springs National Bank, Rock Springs, Wyoming

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and said Jack Robertson acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 22nd day of July, 19 94.

My commission expires: 1-24-98

David M. Tate

Notary Public for the State of Wyoming,
residing at Rock Springs, Wyoming

DAVID M. TATE - NOTARY PUBLIC
COUNTY OF SWEETWATER STATE OF WYOMING
MY COMMISSION EXPIRES JANUARY 24, 1998

290

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Miscellaneous Records of Sublette County, Wyoming, Lessor, and Contex Energy Company, Lessee.

Township 28 North, Range 112 West, 6th P.M.

Section 1: Lots 14(5.72), 15(39.97), 16(9.92), and the bed of the Green River Riparian to Lots 14, 15 & 16

Section 12: Lots 1(19.00), 2(21.02), 3(11.60), 6(6.21), 7(43.95), 8(48.52), 9(47.98), 10(41.66), 13(34.79), 14(47.45), and the bed of the Green River Riparian to Lots 1, 2, 3, 6, 7, 8, 10 & 13

Section 13: Lots 1(46.91), 2(31.65), 5(37.52), 8(39.58), 9(9.50), 12(20.78), SW¼SE¼, and the bed of the Green River Riparian to Lots 2, 5, 8, 9 & 12

Section 24: Lots 1(44.27), 2(39.59), 3(18.71), and the bed of the Green River Riparian to Lots 2 & 3

containing 706.30 acres, more or less

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Miscellaneous Records of Sublette County, Wyoming, Lessor, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall, by this reference, be amended to read 16.667%.

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part therof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarding as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty (120) days prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

Signed for Identification:

Rock Springs National Bank, Successor
Trustee of The Fear Family Trust
dated December 5, 1963

BY: Jack Robertson, Trust Officer

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE
247879

RECORDED Aug. 19, 19 94 8:35 AM
IN BOOK 98 Off 6 PAGE 293
FEES 12.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
BY Cathy Sexton

THIS AGREEMENT, made and entered into this 20th day of July, 19 94, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Misc. Records of Sublette Co., Wy. of 333 Broadway, Rock Springs, WY. 82901, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ----------ten and more---------- dollars ($ 10.00----------) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Refer to EXHIBIT "A" attached hereto and made a part hereof.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

K JK

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~XXXXX~~ (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 20th day of July, 19 95, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Rock Springs National Bank, Bank, at Rock Springs, WY. 82901 (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of Seven hundred ninety-nine and 36/ths DOLLARS ($ 799.36), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 any part of the land described above and as to any one or more of the formations hereunder, to pool or unitize 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, whether or not similar pooling authority exercised by the same or different party or parties, irrespective of whether

authority similar [redacted] with respect to such other land, lease or leases. Like [redacted] previously formed to include formations not producing [redacted] may be reformed to exclude such non[redacted] formations. The forming or reforming of any unit shall [redacted] ished by lessee executing and filing of record a dec[redacted] such unitization or reformation, whi[redacted]on shall describe the unit. Any unit may include land u[redacted] a well has theretofore been completed or upon which drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

20; Refer to Addendum to Oil and Gas Lease attached hereto and made a part hereof.

Attest: Patricia A. Greenlee

Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963

By: Jack Robertson, Trust Officer

STATE OF WYOMING }
COUNTY OF _____ } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this _____ day of _____, 19 ____, before me personally appeared _____, to me known to be the person _____ described in, and who executed the foregoing instrument, and who acknowledged to me that _____ he _____ executed the same as _____ free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this _____ day of _____, 19____.

My commission expires:

_____

Notary Public for the State of _____,
residing at _____

STATE OF WYOMING }
COUNTY OF Sweetwater } ss.

CORPORATE, Wyoming, Montana, Colorado

On this 22nd day of July, 19 94, before me personally appeared Jack Robertson, to me personally known, who, being by me duly sworn, did say that he is the Trust Officer President (or Secretary) of The Rock Springs National Bank, Rock Springs, Wyoming and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and [illegible] Jack Robertson acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 22nd day of July, 19 94.

My commission expires: 1-24-98

David M. Tate

Notary Public for the State of Wyoming,
residing at Rock Springs, Wyoming

DAVID M. TATE - NOTARY PUBLIC
COUNTY OF SWEETWATER STATE OF WYOMING
MY COMMISSION EXPIRES JANUARY 24, 1998

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Miscellaneous Records of Sublette County, Wyoming, Lessor, and Contex Energy Company, Lessee.

Township 29 North, Range 111 West, 6th P.M.
Section 7: SE¼
Section 17: NW¼, N½SW¼
Section 18: Lots 1(39.68), 2(39.68), NE¼, E½NW¼, N½SE¼

containing 799.36 acres, more or less

[redacted] [redacted] [redacted]

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Miscellaneous Records of Sublette County, Wyoming, Lessor, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall, by this reference, be amended to read 16.667%.

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part therof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarding as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty (120) days prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

Signed for Identification:

Rock Springs National Bank, Successor
Trustee of The Fear Family Trust
dated December 5, 1963

By: Jacob Patterson, Trust Officer

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

247880

RECORDED Aug. 19, 1994 8:35 AM
IN BOOK 98 M 86
FEES 12.00
PAGE 297
SUBLETTE COUNTY CLERK
By Cathy Sexton
COUNTY CLERK

THIS AGREEMENT, made and entered into this 20th day of July, 19 94, by and Between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Misc. Records of Sublette Co., Wy. of 333 Broadway, Rock Springs, WY 82901, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ----------ten and more---------- dollars ($ 10.00---------) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Refer to EXHIBIT "A" attached hereto and made a part hereof.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, relliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

JR (5)

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten~~ five years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 20th day of July, 19 95, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Rock Springs National Bank, Bank, at Rock Springs, WY 82901 (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of Eight hundred and 00/100ths DOLLARS ($ 800.00), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more formations hereunder, to pool or unitize the leasehold and the mineral estate covered by this lease with other or others lands 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, irrespective of whether

authority similar [illegible] exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing [redacted] may be reformed to exclude such no[redacted] formations. The forming or reforming of any unit shal[redacted] plished by lessee executing and filing of record a dec[redacted]uch unitization or reformation, whi[redacted]on shall describe the unit. Any unit may include land u[redacted] a well has theretofore been completed or upon which drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

20. Refer to Addendum to Oil and Gas Lease attached hereto and made a part hereof.

Attest: Patricia A. Greenlee

Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963

By: Jack Robertson, Trust Officer

INDIVIDUAL, Wyoming, Montana, Colorado

STATE OF _____ } ss.
COUNTY OF _____ }

On this _____ day of _____, 19 _____, before me personally appeared _____, to me known to be the person _____ described in, and who executed the foregoing instrument, and who acknowledged to me that _____ he _____ executed the same as _____ free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this _____ day of _____, 19_____.

My commission exprires:

_____

Notary Public for the State of _____,
residing at _____

CORPORATE, Wyoming, Montana, Colorado

STATE OF WYOMING }
COUNTY OF Sweetwater } ss.

On this 22nd day of July, 19 94, before me personally appeared Jack Robertson to me personally known, who, being by me duly sworn, did say that he is the Trust officer President (or Secretary) of The Rock Springs National Bank, Rock Springs, Wyoming and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said Jack Robertson acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 22nd day of July, 1994.

My commission expires: 1-24-98

David M. Tate

Notary Public for the State of Wyoming,
residing at Rock Springs, Wyoming

DAVID M. TATE - NOTARY PUBLIC
COUNTY OF SWEETWATER STATE OF WYOMING
MY COMMISSION EXPIRES JANUARY 24, 1998

298

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Miscellaneous Records of Sublette County, Wyoming, Lessor, and Contex Energy Company, Lessee.

Township 29 North, Range 112 West, 6th P.M.
Section 11: E½NE¼, SW¼NE¼, SE¼NW¼, NE¼SW¼, N½SE¼
Section 12: W½NE¼, NW¼, N½S½, SE¼SE¼
Section 13: E½NE¼

containing 800.00 acres, more or less

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Rock Springs National Bank, Successor Trustee of The Fear Family Trust dated December 5, 1963 as represented by Indenture of Trust recorded in Book 22, Page 13 of Miscellaneous Records of Sublette County, Wyoming, Lessor, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth(1/8th) appears in the subject Oil and Gas Lease, it shall, by this reference, be amended to read 16.667%.

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part therof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarding as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty (120) days prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

Signed for Identification:

Rock Springs National Bank, Successor
Trustee of The Fear Family Trust
dated December 5, 1963

By: Jack Patterson, Trust Officer

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

247881

RECORDED Aug. 19 1994 8:35AM
IN BOOK 98 026 PAGE 301
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

THIS AGREEMENT, made and entered into this 28th day of July, 1994, by and between Victor S. McGinnis and Dorothy J. McGinnis, husband and wife

of Big Piney, Wyoming 83113

Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessor (whether one or more), and

WITNESSETH:

1. That lessor, for and in consideration of ----------ten and more---------- dollars ($ 10.00---------) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Refer to EXHIBIT "A" attached hereto and made a part hereof.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term ~~of ten (10)~~ (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal ~~one-eighth (1/8)~~ 15% part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of ~~one-eighth (1/8)~~ 15% of the gas sold or used, provided that on gas sold the royalty shall be ~~one-eighth (1/8)~~ 15% of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 28th day of July, 1995, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Rock Springs National Bank, Bank, at Rock Springs, Wyoming (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of Four hundred forty and no/100ths DOLLARS ($ 440.00), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other lan[redacted]ases in the immediate vicinity for th[redacted] of oil and gas, or separately for the production of either [redacted] see's judgment it is necessary or advisable to do so, and [redacted] of whether

authority similar to this as to such other land, lease or leases. Like [redacted]s previously formed to include formations not producing [redacted] may be reformed to exclude such [redacted]g formations. The forming or reforming of any unit sh[redacted] nplished by lessee executing and filing of record a de[redacted] 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

20. Wherever the term one-eighth (1/8th) royalty appears in the subject Oil and Gas Lease, it shall, by this reference be amended to read Fifteen percent (15%).

SS# 520-42-0738

Victor S. McGinnis

SS# 520-48-4260

Dorothy J. McGinnis

STATE OF WYOMING
COUNTY OF SUBLETTE } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 2nd day of July, 19 94, before me personally appeared Victor S. McGinnis and Dorothy J. McGinnis, husband and wife

to me known to be the person S described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 2nd day of July, 19 94.

My commission expires: November 4, 1996

LELA L. SANDERS
NOTARY PUBLIC
Sublette County, WY
My Commission expires
11-4-96

Lela L. Sanders
Notary Public for the State of Wyoming
residing at Big Piney, Wy. 83113

STATE OF
COUNTY OF } ss.

CORPORATE, Wyoming, Montana, Colorado

On this day of, 19, before me personally appeared

to me personally known, who, being by me duly sworn, did say that he is the President (or Secretary) of

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this day of, 19.

My commission expires:

Notary Public for the State of
residing at

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 28th day of July, 1994, by and between Victor S. McGinnis and Dorothy J. McGinnis, husband and wife, Lessors, and Contex Energy Company, Lessee.

Township 28 North, Range 112 West, 6th P.M.
Section 11: S½SW¼
Section 14: NE¼NW¼, W½NW¼
Section 15: N½N½
Section 16: W½NW¼

containing 440.00 acres, more or less

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CHEYENNE, WYOMING

SURRENDER AND TERMINATION OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS: That,

WHEREAS, the undersigned is the record title holder of certain Oil and Gas Leases listed on Exhibit "A" attached hereto; and

WHEREAS, the undersigned desires to surrender and terminate said leases;

NOW, THEREFORE, the undersigned does hereby surrender and terminate said Oil and Gas Leases and transfer and relinquish to the United States of America all its right, title and interest in, to and under said Oil and Gas Leases.

In connection herewith the undersigned respectfully shows and represents that all monies due and payable to workmen employed by the undersigned on the leased premises have been paid.

IN WITNESS WHEREOF, this instrument is executed this 9th day of August, 1994.

247874

RECORDED Aug. 19, 1994 10:15AM
IN BOOK 98 Ox6 PAGE 304
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sopton

CHEVRON U.S.A. INC., LESSEE

By: E. J. Fitzgerald
Its Assistant Secretary

THE STATE OF TEXAS

COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared E. J. Fitzgerald, known to me to be the person whose name is subscribed to the foregoing instrument as Assistant Secretary of CHEVRON U.S.A. INC., and acknowledged to me that she executed the same for the purpose and consideration therein expressed as the act and deed of said CHEVRON U.S.A. INC.

Given under my hand and seal of office this 9th day of August, 1994.

NOTARY PUBLIC STATE OF TEXAS
ALMA POSADA
NOTARY PUBLIC
State of Texas
Comm. Exp. 09-11-96

Alma A. Posada
Notary Public, State of Texas

304

EXHIBIT "A"

Attached to and made a part of Release of Oil and Gas Leases in Sublette County, Wyoming

SERIAL NO.	EFFECTIVE DATE	COUNTY RECORDING DATA	ACRES	DESCRIPTION
W-85924	3/1/84	Book 76 O&G, Page 663 in Sublette County, Wyoming	1431.88	**T35N, R115W, 6th PM** Sec. 1: Lots 1-4; S½N½, S½ Sec. 2: Lots 1-4; S½N½, SE¼ Sec. 12:N½
W-85921	3/1/84	Book 80 O&G, Page 527 in Sublette County, Wyoming	739.24	**T34N, R115W, 6th PM** Sec. 2: Lots 1-4; S½N½ Sec. 3: Lots 1-4, S½N½, N½SW¼

STATE OF WYOMING

COUNTY OF SUBLETTE

ASSIGNMENT AND CONVEYANCE

KNOW ALL MEN BY THESE PRESENTS, THAT:

BADGER OIL CORPORATION
P. O. Box 52745
Lafayette, LA 70505

hereinafter referred to as "Assignor", in and for consideration of the sum of TEN DOLLARS and Other Valuable Consideration ($10.00 and OVC), the receipt and sufficiency of which are hereby acknowledged, does hereby grant, sell, assign, transfer, convey and deliver unto

OWNERS	INTEREST OWNED
Maximillian Production Company P.O. Box 52745 Lafayette, Louisiana 70505	24.0%
Dr. Lamar B. Roemer 600 17th Street, Suite 915N Denver, Colorado 80202	13.0%
Badger Oil Corporation P.O. Box 52745 Lafayette, Louisiana 70505	10.5%
Key Exploration, Inc. P.O. Box 52963 Lafayette, Louisiana 70505	2.5%
The Esperanza Corporation 817 17th Street, Suite 808 Denver, Colorado 80202	50.0%

hereinafter referred to as "Assignee", the above described interest in and to;

T27N-R112W, 6th PM, Section 1: Lots 1, 2, S/2NE/4
From the surface of the earth to the stratigraphic equivalent of 10,300' as encountered in the Hanson Federal #20-1 well, located in the NE/4 of Section 1, T27N-R112W, Sublette County, Wyoming

together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

This assignment is made without warranty of title, express or implied.

IN WITNESS WHEREOF, this Assignment is executed this 11th day of August 1994, but made effective July 1, 1991.

WITNESSES:

Teo Gallagher

Melvyn L. Bennett

BADGER OIL CORPORATION

By: Arthur J. Price

STATE OF LOUISIANA

PARISH OF LAFAYETTE

On this 11th day of August, 1994, before me, appeared Arthur J. Price, to me personally known, who, being by me duly sworn, did say that he is the Vice President of **BADGER OIL CORPORATION** and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and the said Arthur J. Price, acknowledged said instrument to be the free act and deed of said corporation.

247897

Annie Wagenpack
NOTARY PUBLIC

RECORDED Aug 19, 1994 1:20 PM
IN BOOK 98 Misc PAGE 306
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

307

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED:

K D OIL & GAS, INC.
149 NATURAL BRIDGE ROAD
DOUGLAS, WY 82633

,as Assignor for the sum of Ten Dollars ($10.00) and other good and valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged, does hereby convey, transfer, assign and deliver without warranty, express or implied, an overriding royalty unto the following parties in the amount shown:

NAME	ADDRESS	PER CENT
A. G. ANDRIKOPOULOS RESOURCES, INC.	P. O. BOX 788 CHEYENNE, WY 82003-0788	28.125% of 25% of 2% of 100% (0.140625%)
RICHARD L. GOODMAN	P. O. BOX 45 CHEYENNE, WY 82003-0045	46.875% of 25% of 2% of 100% (0.234375%)
ENGLAND RESOURCES CORPORATION	1700 BROADWAY, SUITE 1500 DENVER, CO 80290	15% of 25% of 2% of 100% (0.075%)
DIANA E. HEINLE OR ALLAN R. HEINLE, TRUSTEES, OR THEIR SUCCESSOR(S) IN TRUST, UNDER THE DIANA E. HEINLE TRUST, DATED JANUARY 19, 1993	8261 S. MONACO COURT ENGLEWOOD, CO 80112	3.75% of 25% of 2% of 100% (0.01875%)

hereinafter referred to as Assignee (whether one or more), being in all a total of an undivided Ninety-three and Seventy-five One Hundredths Percent of Twenty-five Percent of Two Percent of One Hundred Percent overriding royalty on all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the lands described on below, situated in Sublette County, State of Wyoming, to-wit:

BLM Lease Number: W-054585
T. 27 N., R. 114 W., 6th P.M.
Section 12: NE/4NW/4, SW/4SW/4
Containing 80.00 Acres more or less.

TO HAVE AND TO HOLD the interest herein transferred and assigned unto Assignee, their heirs, devisees, personal representatives, successors and assigns, forever, subject to all matters of record, without limitation and subject to the following terms and provisions: THAT,

A. The overriding royalty interest herein transferred is payable out of and only out of the oil and gas produced, saved and marketed, pursuant to the terms and provisions of the oil and gas lease described above.

B. This assignment of overriding royalty is made without warranty of title, either expressed of implied.

C. If said oil and gas lease covers less than the entire fee title, then the above overriding royalty interest shall be reduced proportionately.

WITNESS our hands this 9th day of May, 1994, however, effective October 1, 1993.

ATTEST:

Karin Russell

K D OIL & GAS, INC.

BY: _____

STATE OF Wyoming)
) ss.
COUNTY OF Converse)

The foregoing instrument was acknowledged before me this 26th day of ~~May~~ July, 1994, by Carey D.K. Darr, as President of K D OIL & GAS, INC., a _____ corporation on behalf of the corporation.

Witness my hand and official seal.

My Commission Expires: Feb. 13, 1998
(S E A L)

_____
Notary Public

CAROL MENTER - NOTARY PUBLIC
County of Converse — State of Wyoming
My Commission Expires Feb. 13, 1998

247898

RECORDED Aug 19, 1994 1:00 PM
IN BOOK 98 Q46 PAGE 307
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

[redacted] ASSIGNMENT OF [redacted] IDING ROYALTY [redacted]

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED:

K D OIL & GAS, INC.
149 NATURAL BRIDGE ROAD
DOUGLAS, WY 82633

,as Assignor for the sum of Ten Dollars ($10.00) and other good and valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged, does hereby convey, transfer, assign and deliver without warranty, express or implied, an overriding royalty unto the following parties in the amount shown:

NAME	ADDRESS	PER CENT
A. G. ANDRIKOPOULOS RESOURCES, INC.	P. O. BOX 788 CHEYENNE, WY 82003-0788	28.125% of 1% of 100% (0.28125%)
RICHARD L. GOODMAN	P. O. BOX 45 CHEYENNE, WY 82003-0045	46.875% of 1% of 100% (0.46875%)
ENGLAND RESOURCES CORPORATION	1700 BROADWAY, SUITE 1500 DENVER, CO 80290	15% of 1% of 100% (0.15%)
DIANA E. HEINLE OR ALLAN R. HEINLE, TRUSTEES, OR THEIR SUCCESSOR(S)IN TRUST, UNDER THE DIANA E. HEINLE TRUST, DATED JANUARY 19, 1993	8261 S. MONACO COURT ENGLEWOOD, CO 80112	3.75% of 1% of 100% (0.0375%)

hereinafter referred to as Assignee (whether one or more), being in all a total of an undivided Ninety-three and Seventy-five One Hundredths Percent of One Percent of One Hundred Percent overriding royalty on all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the lands described on below, situated in Sublette County, State of Wyoming, to-wit:

BLM Lease Number: E-026241
T. 28 N., R. 114 W., 6th P.M.
Section 26: NE/4NW/4
Containing 40.00 Acres more or less.

TO HAVE AND TO HOLD the interest herein transferred and assigned unto Assignee, their heirs, devisees, personal representatives, successors and assigns, forever, subject to all matters of record, without limitation and subject to the following terms and provisions: THAT,

A. The overriding royalty interest herein transferred is payable out of and only out of the oil and gas produced, saved and marketed, pursuant to the terms and provisions of the oil and gas lease described above.

B. This assignment of overriding royalty is made without warranty of title, either expressed of implied.

C. If said oil and gas lease covers less than the entire fee title, then the above overriding royalty interest shall be reduced proportionately.

WITNESS our hands this 9th day of May, 1994, however, effective October 1, 1993.

ATTEST:
Karen Russell

K D OIL & GAS, INC.

BY: Carey D.K. Darr

STATE OF Wyoming)
) ss.
COUNTY OF Converse)

The foregoing instrument was acknowledged before me this 26th day of ~~May~~ July, 1994, by Carey D.K. Darr, as President of K D OIL & GAS, INC., a _____ corporation on behalf of the corporation.

Witness my hand and official seal.

My Commission Expires: Feb. 13, 1998
(S E A L)

Carol Menter
Notary Public

CAROL MENTER - NOTARY PUBLIC
County of Converse
State of Wyoming
My Commission Expires Feb. 13, 1998

247899

RECORDED Aug 19 1994 8:00 P.M.
IN BOOK 98 OR 6 PAGE 308
FEES $ 6.00
SUBLETTE COUNTY, PINEDALE WYOMING
COUNTY CLERK
By Cathy Sexton

309

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CHEYENNE, WYOMING

SURRENDER AND TERMINATION OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS: That,

WHEREAS, the undersigned is the record title holder of certain Oil and Gas Leases listed on Exhibit "A" attached hereto; and

WHEREAS, the undersigned desires to surrender and terminate said leases;

NOW, THEREFORE, the undersigned does hereby surrender and terminate said Oil and Gas Leases and transfer and relinquish to the United States of America all its right, title and interest in, to and under said Oil and Gas Leases.

In connection herewith the undersigned respectfully shows and represents that all monies due and payable to workmen employed by the undersigned on the leased premises have been paid.

IN WITNESS WHEREOF, this instrument is executed this 15th day of August, 1994.

ATTEST:

JRO, INC., dba Outerbridge & Associates, Inc., LESSEE

Diane C. Outerbridge
Secretary

By: J. Robert Outerbridge
J. Robert Outerbridge, President

247902

RECORDED Aug. 19, 1994 3:20 P M
IN BOOK 98 046 PAGE 209
FEES $ 8.00
SUBLETTE COUNTY, PINEDALE WYOMING
COUNTY CLERK
By Cathy Saxton

THE STATE OF COLORADO

COUNTY OF ARCHULETA

Before me, the undersigned authority, on this day personally appeared J. Robert Outerbridge, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 15 day of August, 1994.

Notary Public
Notary Expires: 12-5-94

EXHIBIT "A"

Attached to and made a part of Release of Oil and Gas Leases in Sublette County, Wyoming

SERIAL NO.	EFFECTIVE DATE	COUNTY RECORDING DATA	ACRES	LAND DESCRIPTION
W-85925	3/1/84	Book 70 O&G, Page 511 in Sublette County, Wyoming	160.00	**T35N, R115W, 6th PM** Sec. 2: SW¼
W-85932	3/1/84	Book 74 O&G, Page 41 in Sublette County, Wyoming	480.00	**T35N, R115W, 6th PM** Sec. 22:W½, SE¼
W-85928	3/1/84	Book 73 O&G, Page 686 in Sublette County, Wyoming	320.00	**T35N, R115W, 6th PM** Sec. 11:N½

a/e

IN THE DISTRICT COURT OF THE SECOND JUDICIAL DISTRICT

WITHIN AND FOR THE COUNTY OF SWEETWATER, WYOMING

IN THE MATTER OF THE ESTATE OF ALEX LOUIS BERTAGNOLLI, ALSO KNOWN AS ALEX BERTAGNOLLI, DECEASED.

FILED
#5099
NOV 16 1964
DONALD A. BROWN CLERK OF COURT
BY Nellie Hanton DEPUTY CLERK

DECREE OF FINAL SETTLEMENT OF ACCOUNT AND ORDER OF DISTRIBUTION

Journal 7-226-228

Alex John Bertagnolli, executor of the estate of Alex Louis Bertagnolli, also known as Alex Bertagnolli, deceased, having heretofore rendered and filed herein a full account and report of his administration of said estate, which account was for a final settlement, and having with said account filed a petition for the distribution of the residue of said estate;

And the said final account and petition for distribution this day coming on to be heard, proof having been made to the satisfaction of the Court that notice of the settlement of said account and hearing of said petition has been given in the manner and for the time in such cases required by law;

And it appearing that said account is in all respects true and correct, and that all claims and debts against decedent, all taxes against said estate, all debts, expenses and charges of administration, have been fully paid and discharged, and that said estate is now ready for distribution and in condition to be closed;

And it further appearing that said Alex Louis Bertagnolli, also known as Alex Bertagnolli, died testate at Evanston, Uinta County, Wyoming, on the 30th day of May, 1962; that his Last Will and Testament, admitted to probate by this Court, provided as follows:

"FIRST: I direct the payment of my funeral expenses and expenses of last illness, and of all my just debts and obligations, as soon as practicable after my decease.

SECOND: I give, devise and bequeath unto my two sons, Alex John Bertagnolli and Paul I. Bertagnolli, one-half to each, share and share alike, all the rest and residue of my property and estate, both real, personal and mixed, and wheresoever the same may be situate, unto them, their heirs and assigns, forever.";

And it further appearing that Alex John Bertagnolli, son, and Paul I. Bertagnolli, son, are the sole legatees and devisees in accordance with the provisions of said Last Will and Testament, and are now living;

EDWIN V. MAGAGNA
ATTORNEY AT LAW
10 E STREET
P. O. BOX 468
ROCK SPRINGS, WYO.

247909

RECORDED Aug. 22 1994 10:05
IN BOOK 98 048 PAGE 311
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By: Cathy Sanford

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED that the said account of said executor be, and the same is hereby settled, allowed and approved, and that in accordance with the terms and provisions of the Last Will and Testament of said Alex Louis Bertagnolli, also known as Alex Bertagnolli, the residue of the estate remaining in the hands of the executor, together with any other property not now known or discovered and which may belong to the said estate, or in which the said estate may have any interest, be distributed as follows:

An undivided one-half interest to Alex John Bertagnolli, son;

An undivided one-half interest to Paul I. Bertagnolli, son;

That the following is a particular description of the residue of said estate referred to in this decree and of which distribution is now ordered as aforesaid:

1. Cash in the sum of $ 6,458.02 ,

2. The following stocks:

   (a) 9½ Shares of Class B. Preferred Stock of the North Side State Bank of Rock Springs, Wyoming;

   (b) 13,850 Shares of the Capital Stock of Medicine Bow Oil Company;

   (c) 10,940 Shares of the Capital Stock of Investment Oil Syndicate, Inc.;

   (d) 360,000 Shares of the Common Capital Stock of Superior Wyoming Oil Company;

   (e) 103,006 Shares of the Preferred Capital Stock of Superior Wyoming Oil Company;

3. An undivided one-third interest in Bertagnolli and Sons, a partnership, and all assets thereof including:

   (a) All Forest Permits;

   (b) All Taylor Grazing rights and privileges;

   (c) All State Leases;

   (d) The following described lands:

In Township 24 North, Range 115 West of the 6th P.M.

Section 6: Lots 4, 5, 6, 7, 8, 9, 10, 11, 18, 19, 20, 21, 22, 24;

Section 19: Lots 14, 15, 16, 17;

Section 30: Lots 4, 5, 6, 7, 14, 15, 16, and 17;

Section 31: Lots 4, 5, 6, and 7;

EDWIN V. MAGAGNA
ATTORNEY AT LAW
10 K STREET
P. O. BOX 450
ROCK SPRINGS, WYO.

228

In Township 24 North, Range 116 West of the 6th P.M.

Section 1: Lots 3, 4; S½NE¼; SE¼;

Section 2: Lots 1, 2, 3, 4, 5, 6, 11, 12;

Section 3: Lot 1;

Section 12: S½SE¼

Section 13: N½NE¼;

Section 25: S½;

Section 26: S½;

In Township 25 North, Range 115 West of the 6th P.M.

Section 32: S½SE¼; S½NE¼; N½SE¼;

Together with all improvements thereon, and all water and water rights, ditches and ditch rights, reservoirs and reservoir rights, and the rights to the use of water, ditches and reservoirs used in connection with or appertaining to the above-described lands, or any of them.

4. An undivided one-half interest in and to all oil, gas, petroleum and minerals, lying beneath the surface of the following described lands, situate in Sublette County, Wyoming:

In Township 28 North, Range 112 West of the 6th P.M.

Section 11; SW¼SE¼

Section 12; SW¼SW¼

Section 13; W½NW¼, Lot 3

Section 11; SW¼SE¼

heretofore conveyed to Alex Bertagnolli by Ira A. Bailey and Emma F. Bailey by Quitclaim Deed, dated January 16, 1926 and filed for record in the Office of the County Clerk of Lincoln County, Wyoming on February 2, 1926 in Book 1, of Quitclaim Deeds on Page 20.

IT IS FURTHER ORDERED AND DECREED that the said executor upon payment and delivery of the said residue, as hereinbefore ordered, and upon filing proper receipts therefor in this Court, shall be entitled to be fully and finally released and discharged from his trust as such executor.

Done in open Court this 16 day of November, 1964.

JUDGE

EDWIN V. MAGAGNA
ATTORNEY AT LAW
16 K STREET
P. O. BOX 460
ROCK SPRINGS, WYO.

The document to which this certificate is attached is a full, true and correct copy of the original on file and of record in my office.
Dated 8-19 , 1994
NONIE STACEY, Clerk of the District Court
County of Sweetwater
State of Wyoming
By _____ Deputy

PARTIAL A[redacted]NMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That Key Production Company, Inc., 1700 Lincoln Street, Suite 2050, Denver, Colorado, 80203, hereinafter referred to as "Assignor", for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer and convey unto Presidio Exploration, Inc., 5613 DTC Parkway, Suite 750, Englewood, Colorado, 80155, hereinafter referred to as "Assignee", all of Assignor's right, title and interest in and to that certain oil and gas lease described as follows:

LESSOR:	YOSE CATTLE COMPANY
LESSEE:	BELCO DEVELOPMENT CORPORATION
LEASE DATE:	DECEMBER 17, 1981
RECORDED:	BOOK 64, PAGE 76

Insofar and only insofar as said lease covers the following, hereinafter referred to as the "Subject Lands":

TOWNSHIP 28 NORTH, RANGE 112 WEST, 6TH P.M.

SECTION 35: NW/4SE/4, INCLUDING ALL ACCRETION AND/OR RIPARIAN RIGHTS PERTAINING THERETO, SUBLETTE COUNTY WYOMING.

LIMITED IN DEPTH FROM THE SURFACE OF THE EARTH DOWN TO THE STRATIGRAPHIC EQUIVALENT OF 9,340 FEET AS FOUND IN THE YOSE CATTLE COMPANY #40-35 WELL LOCATED IN THE NW/4SE/4 OF SECTION 35, TOWNSHIP 28 NORTH, RANGE 112 WEST, SUBLETTE COUNTY, WYOMING.

In addition, Assignor does hereby grant, bargain, sell, assign and convey unto Assignee the following:

1. All of Assignor's working interest in the Yose Cattle Company #40-35 well located in the NW/4SE/4 of Section 35, Township 28 North, Range 112 West, Sublette County, Wyoming, and all of Assignor's right, title and interest in and to all real, personal and mixed property located on or off the Subject Lands and used in connection with the operation of the Yose Cattle Company #40-35 well, including, without limitation, well equipment, casing, tanks, crude oil, condensate or products in storage or in pipelines as of the effective date of this Assignment, buildings, tubing, pumps, motors, compressors, fixtures, machinery and other equipment, pipelines, gathering systems, power lines, telephone and telegraph lines, roads, field processing plants and all other improvements used in the operation thereof.

2. All of Assignor's rights with respect to any pooled, communitized or unitized acreage by virtue of any portion of the Subject Lands being a part thereof, including all production from the pool, communitized area, participating area or unit associated with such property.

3. All of Assignor's rights in and to all agreements and contractual rights, easements, rights-of-way, servitudes and other estates which relate to the Subject Lands, including, without limitation, all rights in, to and under or derived from all production sales contracts, operating agreements, pooling, unitization or communitization agreements, purchase, exchange and processing contracts and agreements, surface leases, permits, licenses, options, orders and all other contracts, agreements and instruments attributable to the Subject Lands (or lands pooled, communitized or unitized therewith) or the production, storage, treatment, transportation, processing or sale or disposal of oil, gas, other hydrocarbons, other minerals, water, salt water or other substances therefrom.

This Assignment is made without warranty of title, express or implied, and shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns. Executed this 4th of August, 1994, to be effective April 1, 1994.

247912

RECORDED Aug. 22 1994 11:00 A M
IN BOOK 98,026 PAGE 314
FEES 4.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sadler

KEY PRODUCTION COMPANY, INC.

Stephen P. Bell, Vice President-Land

State of Colorado
County of Denver

The foregoing instrument was acknowledged before me this 4th day of August, 1994, by Stephen P. Bell as Vice President-Land, Key Production Company, Inc.

Witness my hand and official seal.

My Commission expires:

7-15-98

Notary Public

BIRDCAM\YOSECAT\CHORNEY.ASN

315

WY18 040-00012-00

Form 3000-3
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1989

ASSIGNMENT OF RECORD TITLE INTEREST IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.: W-104822

Lease Effective Date (Anniversary Date): 06/01/87

New Serial No.:

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee*
   Street
   City, State, ZIP Code

McMurry Oil Company
P. O. Box 220
Casper, WY 82602-0220

*If more than one assignee, check here ☐ and list the name(s) and address(es) of all additional assignees on the reverse of this form or on a separate attached sheet of paper.

This record title assignment is for: *(Check one)* ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: *(Check one or both, as appropriate)* ☒ Record Title, ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Sublette County, Wyoming Township 27 North, Range 110 West, 6th P.M. Sec. 17: All Sec. 28: W/2 Sec. 29: All Sec. 30: Lots 3, 4, E/2SW/4 Sec. 31: Lots 1-4, E/2, E/2W/2 Sec. 32: All Sec. 33: All Sec. 34: S/2				5%	0

247913

RECORDED Aug. 22, 1994 11:35a M
IN BOOK 98 Misc PAGE 315
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

UNITED STATES OF AMERICA

This assignment is approved solely for administrative purposes. Approval does not warrant that either party to this assignment holds legal or equitable title to this lease.

☐ Assignment approved for above described lands;

☐ Assignment approved for attached land description

Assignment approved effective _____

☐ Assignment approved for land description indicated on reverse of this form.

By _____ _____
(Authorized Officer) (Title) (Date)

STATE OF [redacted]olorado
COUNTY OF Jefferson

On this 5 day of August 1994, before me personally appeared Agnes S. Parker, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that she executed the same as her 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.

(SEAL)

My Commission expires 1/2/96

Mary T Embard
Notary Public

STATE OF WYOMING
COUNTY OF NATRONA

On this 5th day of August 1994, before me personally appeared John W. Martin, to me personally known, who, being by me duly sworn, did say that he is the President of McMurry Oil Company and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said John W. Martin acknowledged said instrument to be free act and deed of said corporation.

Witness my hand and seal this 5th day of August 1994.

JAMES W. CURRY - Notary Public
County of Natrona
State of Wyoming
My Commission Expires Jan. 23, 1995

(SEAL)

My Commission expires January 23, 1995

James W. Curry
Notary Public

association of such citizens, nationals, resident aliens or private, public or municipal corporations, (b) Assignee is not considered a minor under the laws of the State in which the lands covered by this assignment are located; (c) Assignee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the assignment are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Assignee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Assignee is not in violation of sec. 41 of the Mineral Leasing Act.

3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal assignments, an overriding royalty may not be less than one-fourth (¼) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 5 day of August, 19 94

Name of Assignor as shown on current lease Agnes S. Parker
Please type or print

Assignor Agnes S. Parker
(Signature)
or
Attorney-in-fact _____
(Signature)

P.O. Box 15187
(Assignor's Address)

Lakewood, Colorado 80215
(City) (State) (Zip Code)

Executed this 5 day of August, 19 94

Assignee John W. Martin, President
(Signature)
or
Attorney-in-fact M'Murry Oil Co
(Signature)

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

317

WILLIAMS GAS PROCESSING COMPANY
RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Northerly side and Forty (40) feet on the Southerly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
SE/4	24	28 North	114 West	6th P.M.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

For the same consideration, Grantor grants to the Grantee the right to construct, maintain and operate on said right-of-way, an additional pipeline or pipelines and appurtenances thereto, and in the event Grantee exercises this right, Grantee shall pay Grantor the sum of $2.00 per lineal rod for each additional pipeline const
ructed, as well as for actual damages caused by Grantee to Grantor's growing crops, pasture, fences, livestock and other personal or real property improvements; and Grantee shall in such case have the same rights with respect to such additional facilities as are hereby granted with respect to the original facilities to be constructed.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

WITNESS THE EXECUTION HEREOF THE 1st DAY OF August, 1994.

By:

Witness to Signature(s)

GRANTOR(S): Carol H. Jones, Individually and as Sole Executor of the Estate of Cecil R. Jones

Carol H. Jones

Printed Name: Carol H. Jones

Project Name: Mobil Tip-Top F13X-19G **247920**

Land No. 01926

Drawing No. Work Order No. 10693

RECORDED Aug. 22 1994 12:45 PM
IN BOOK 98 Oct 5 PAGE 317
FEES 8.00 Mary L. Lankford COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

[redacted] [redacted] [redacted]

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Lincoln

On this 10th day of August, 1994, before me personally appeared Carol Jones, known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Notary Public in and for Lincoln

County, State of Wyoming

My Commission expires:

8-7-98

FORM WFS 1960 (6-89)

319

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Southerly side and Forty (40) feet on the Northerly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
SE/4	24	28 North	114 West	6th P.M.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

For the same consideration, Grantor grants to the Grantee the right to construct, maintain and operate on said right-of-way, an additional pipeline or pipelines and appurtenances thereto, and in the event Grantee exercises this right, Grantee shall pay Grantor the sum of $2.00 per lineal rod for each additional pipeline const
ructed, as well as for actual damages caused by Grantee to Grantor's growing crops, pasture, fences, livestock and other personal or real property improvements; and Grantee shall in such case have the same rights with respect to such additional facilities as are hereby granted with respect to the original facilities to be constructed.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

WITNESS THE EXECUTION HEREOF THE 1st DAY OF August, 1994.

By:

Witness to Signature(s)

GRANTOR(S): Carol H. Jones, Individually and as Sole Executor of the Estate of Cecil R. Jones

Carol H. Jones

Printed Name: Carol H. Jones

Project Name: Mobil Tip-Top T58X-24G 247921

Land No. 02343

Drawing No. Work Order No. 11336

RECORDED Aug. 22 19 94 12:45 PM
IN BOOK 98 Misc PAGE 319
FEES 8.00 Mary L. Lankford COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

STATE OF WYOMING)
Lincoln)ss.
COUNTY OF SUBLETTE)

The foregoing instrument was acknowledged before me by Carol H. Jones, Individually and as Sole Executor of the Estate of Cecil R. Jones. Subscribed and Sworn this 22 day of August, 1994.

Witness my hand and official seal.

Notary Public

8-7-98
My Commission Expires

321

WILLIAMS GAS PROCESSING COMPANY

RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Southerly side and Forty (40) feet on the Northerly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	23	28 North	114 West	6th P.M.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

For the same consideration, Grantor grants to the Grantee the right to construct, maintain and operate on said right-of-way, an additional pipeline or pipelines and appurtenances thereto, and in the event Grantee exercises this right, Grantee shall pay Grantor the sum of $2.00 per lineal rod for each additional pipeline const
ructed, as well as for actual damages caused by Grantee to Grantor's growing crops, pasture, fences, livestock and other personal or real property improvements; and Grantee shall in such case have the same rights with respect to such additional facilities as are hereby granted with respect to the original facilities to be constructed.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

WITNESS THE EXECUTION HEREOF THE 10th DAY OF August, 1994.

By:

Witness to Signature(s)

247922

GRANTOR(S): Carol H. Jones, Individually and as Sole Executor of the Estate of Cecil R. Jones

Carol H. Jones

Printed Name: Carol H. Jones

Project Name: Mobil Tip-Top T43X-23GR

Land No. 02344

Drawing No. Work Order No. 11337

RECORDED Aug. 22 1994 12:45 PM
IN BOOK 98 Of 6 PAGE 321
FEES 8.00 Mary L. Lathrop COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sotton

ACKNOWLEDGEMENTS

STATE OF WYOMING)
Lincoln) ss.
COUNTY OF ~~SUBLETTE~~)

Before me, Jon, a Notary Public, on this 1st day of August, 1994, personally appeared Carol H. Jones, Individually and as Sole Executor of the Estate of Cecil R. Jones, known to me to be the identical person who executed the within and foregoing instrument and acknowledged to me that he/she executed the same as his/her free act and deed.

Witness my hand and official seal.

Notary Public

My commission expires: 8-7-98

323

WILLIAMS GAS PROCESSING COMPANY

RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (the pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Westerly side and Forty (40) feet on the Easterly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NE/4	23	28 North	114 West	6th P.M.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

For the same consideration, Grantor grants to the Grantee the right to construct, maintain and operate on said right-of-way, an additional pipeline or pipelines and appurtenances thereto, and in the event Grantee exercises this right, Grantee shall pay Grantor the sum of $2.00 per lineal rod for each additional pipeline const
ructed, as well as for actual damages caused by Grantee to Grantor's growing crops, pasture, fences, livestock and other personal or real property improvements; and Grantee shall in such case have the same rights with respect to such additional facilities as are hereby granted with respect to the original facilities to be constructed.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

WITNESS THE EXECUTION HEREOF THE 1st DAY OF August 1994.

By:

Witness to Signature(s)

247923

GRANTOR(S): Carol H. Jones, Individually and as Sole Executor of the Estate of Cecil R. Jones

Carol H. Jones

Printed Name: Carol H. Jones

Project Name: Mobil Tip-Top T62X-23G

Land No. 02345

Drawing No. Work Order No. 11338

RECORDED Aug 22 1994 12:45 PM
IN BOOK 98 D46 PAGE 353
FEES 8.00 Mary L. Lockhart COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

STATE OF WYOMING)
)ss.
COUNTY OF ~~SUBLETTE~~)

The foregoing instrument was acknowledged before me by Carol H. Jones, Individually and as Sole Executor of the Estate of Cecil R. Jones. Subscribed and Sworn this 1st day of August, 1994.

Witness my hand and official seal.

Notary Public

8-7-98
My Commission Expires

325

WILLIAMS GAS PROCESSING COMPANY
RIGHT-OF-WAY AND EASEMENT

FORM WFS 1960 (6-89)

STATE OF WYOMING)
:ss.
COUNTY OF SUBLETTE)

The undersigned, Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER CONSIDERATIONS, to the Grantor in hand paid by WILLIAMS GAS PROCESSING COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, its successors and assigns, an exclusive right-of-way and easement to locate, survey a route, construct, entrench, maintain, protect, inspect and operate a pipeline with appurtenances including but not limited to valves, metering equipment, electrical cable, cathodic equipment, roads and communication cable (said pipeline, appurtenances, valves, metering equipment, cathodic equipment, communication cable and roads being hereinafter sometimes collectively called the "facilities") over, under and through the hereinafter described land, approximately along the line designated by survey heretofore made or hereafter to be made by Grantee, through and over the said land on a right-of-way Sixty (60) feet in width being Twenty (20) feet on the Northerly side and Forty (40) feet on the Southerly side of the centerline of the first pipeline constructed hereunder, situated in Sublette County, State of Wyoming described below:

Subdivision	Section	Township	Range	B & M
NW/4SW/4	23	28 North	113 West	6th P.M.

This right-of-way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right-of-way, with the right to use existing roads, for the purpose of constructing, inspecting, repairing, protecting and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe. During temporary periods Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate, protect and maintain the facilities over the right-of-way hereby granted unto the said Grantee, its successors and assigns, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be covenants running with the land and be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee shall compensate the Grantor for all actual damages to Grantor's growing crops, pasture, fences, livestock and other real or personal property improvements caused by the construction, maintenance, repair, replacement or removal of the pipeline and appurtenant facilities. Grantee shall compensate the Grantor for all damages to Grantor's timber caused by the initial construction of the facilities; thereafter, Grantee shall have the right to cut and keep clear without payment of damages all trees, brush and other obstructions that may in the Grantee's opinion endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said pipeline and appurtanant facilities.

Grantee further agrees that within a reasonable time following the completion of construction, Grantee shall restore said right-of-way to a condition equal to or better than that which existed prior to construction to the extent practicable. Restoration shall include, where necessary, final grading, reseeding and installation of erosion control structures.

Grantor reserves the right to use and enjoy said property except for the purposes herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface rights hereunder, or disturb its facilities and no road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained on, over, along or within said right-of-way without Grantee's prior written consent. Grantee shall, during initial construction in cultivated lands, bury said pipeline below ordinary cultivation depth.

Grantor represents and warrants that he/she is the owner in fee simple of the said described land. Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

WITNESS THE EXECUTION HEREOF THE 16th DAY OF August, 1994.

By:

Witness to Signature(s)

GRANTOR(S): MIDWAY RANCH

Steven Hoffman

Susan Maureen Hoffman

Walter C. Yose Jr.

Maureen Yose

Project Name: Tip Top #T21X-23G

Land No. 02347

Drawing No. Work Order No. 11340

247924

RECORDED Aug. 22, 1994 12:45PM
IN BOOK 98 Of 6 PAGE 325
FEES 14.00 Mary L. Lankford COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Sublette

On this 16th day of August, 1994, before me personally appeared Steven Hoffman, known to be the person described in and who executed the foregoing instrument, and acknowledged that he/she executed the same as his/her free act and deed.

DIANNE DAVISON - NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
MY COMMISSION EXPIRES 9-8-97

Diane Davison
Notary Public in and for Sublette
County, State of Wyoming

My Commission expires:
8 Sept. 1997

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Sublette

On this 16th day of August, 1994, before me personally appeared Susan Maureen Hoffman, known to be the person described in and who executed the foregoing instrument, and acknowledged that he/she executed the same as his/her free act and deed.

DIANNE DAVISON - NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES 9-8-97

My Commission expires:
8 Sept. 1997

Diane Davison
Notary Public in and for Sublette
County, State of Wyoming

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Sublette

On this 16th day of August, 1994, before me personally appeared Walter C. Yose Jr., known to be the person described in and who executed the foregoing instrument, and acknowledged that he/she executed the same as his/her free act and deed.

DIANNE DAVISON - NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
MY COMMISSION EXPIRES 9-8-94

My Commission expires:
8 Sept. 1997

Notary Public in and for Sublette
County, State of Wyoming

ACKNOWLEDGEMENT

STATE OF Wyoming

COUNTY OF Sublette

On this 16th day of August, 1994, before me personally appeared Maureen Yose, known to be the person described in and who executed the foregoing instrument, and acknowledged that he/she executed the same as his/her free act and deed.

DIANNE DAVISON - NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
MY COMMISSION EXPIRES 9-8-97

Diane Davison
Notary Public in and for Sublette
County, State of Wyoming

My Commission expires:
8 September 1997

[redacted] **ASSIGNMENT OF OVER[redacted]IG ROYALTY INTEREST** [redacted]

This Assignment is made and entered into effective the 1st **day of** January, **1991, by and between CNG PRODUCING COMPANY, hereinafter referred to as "Assignor" and GERALD G. COOPER, hereinafter referred to as "Assignee".**

W I T N E S S E T H

Assignor, for and in consideration of the sum of Ten ($10.00) Dollars and other good and valuable considerations to Assignor in hand paid by Assignee, the receipt and sufficiency of which are hereby acknowledged, does hereby sell, assign, transfer and deliver unto Assignee an undivided 2.5% overriding royalty interest of all oil, gas and other associated hydrocarbons which are produced, saved and marketed under and pursuant to the leases described on the attached Exhibit "A", which is hereby expressly made a part of this Assignment.

If said Leases cover less than the entire mineral estate in a tract of land described on the attached Exhibit "A", or if for any reason the interest acquired by Assignor in said Leases is less than that purportedly conveyed to Assignor, then the overriding royalty interests hereby conveyed to Assignee shall be reduced proportionately as to said Leases.

Subject to the provisions hereof, the overriding royalty payments shall be delivered or paid to Assignee in the manner that is provided in the Lease or Leases subject hereto with respect to lessor's royalty from production. Said overriding royalty shall be delivered free of any cost to Assignee, but shall be subject to all severance, windfall profits and other taxes upon or measured by production.

The overriding royalty herein assigned shall not apply to nor be payable upon oil, gas or other hydrocarbons used for recycling, re-pressuring or similar operations benefiting the Lease or Leases subject hereto or any portion thereof or other lands and leases pooled therewith or unavoidably lost. If the Lease or Leases provided(s) that shut-in gas payments shall be made as royalty rather than as rental, Assignee shall not be entitled to any such payments with respect to its overriding royalty interest.

Assignor hereby reserves the right (and the same is agreed to by Assignee) to sell and dispose of the royalty oil and gas to the purchaser or purchasers of Assignor's own oil and gas subject to proper accounting and payment to Assignee. Assignor further reserves the right at Assignor's sole discretion, without further consent by Assignee, to pool or unitize any or all of the lands and interest covered hereby into such unit or units, including any cooperative or unit plan of development or operation approved by any governmental authority, as Assignor believes to be necessary for prudent operations of the lands and leases described herein. This Assignment is made without warranty to title, either express or implied, and on the condition that there shall be no duty to Assignee at any time to drill any well or wells on or otherwise develop the lands and leases described herein or preserve said leases by rental payments.

TO HAVE AND TO HOLD, unto Assignee and their heirs, personal representatives, successors and assigns of Assignee, subject, however, to all of the terms and conditions of this Assignment.

IN WITNESS WHEREOF, this Assignment is executed effective the day and year first above written.

WITNESSES:

Marilyn B. Williamson

Ann Diggens

CNG PRODUCING COMPANY

BY: D. Malcolm Johns Jr. CNS

D. Malcolm Johns Jr.

TITLE: Agent & Attorney-In-Fact

WITNESSES:

GERALD G. COOPER

BY: Gerald G. Cooper

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
assign/crls/orri.ass

93 AUG 17 AM 9:00

247978

CHEYENNE RECORDING

RECORDED Aug. 26 1994 8:25 AM
IN BOOK 98 PAGE 330
FEES 14.00
SUBLETTE COUNTY CLERK
COUNTY CLERK
By Cathy Saxton

****

STATE OF LOUISIANA *
* ss.
PARISH OF ORLEANS *

BE IT KNOWN that on this 2 day of January, 1991, before me, Notary, personally appeared D. Malcolm Johns, Jr., known to me to be the person whose name is subscribed to the within instrument as the Agent and Attorney-in-fact of CNG PRODUCING COMPANY, and declared and acknowledged to me that the said instrument is the free act and deed of the said corporation and was executed for the uses, purposes and benefits therein expressed.

NOTARY PUBLIC

BRIAN E. WROBEL
Notary Public, Parish of Orleans, State of Louisiana
My Commission is issued for life.

DEPARTMENT OF LAND AND NATURAL RESOURCES
BUREAU OF LAND MANAGEMENT
93 AUG 17 AM 9:00
RECEIVED
CHEYENNE, WYOMING

EXHIBIT A
SCHEDULE OF

DATE 01/07/91 PAGE 1

COMPANY 011 CNG PRODUCING CO - NEW ORLEANS

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
93 AUG 17 AM 9:00
RECEIVED
CHEYENNE, WYOMING

LEASE NUMBER / LESSOR	LESSEE	RECORDED LSE DATE	ST COUNTY DESCRIPTION
L004668/00 TRACT 01 W-101748	FOSSIL ASSOCIATES	09/18/86	WY SUBLETTE T27N-R106W SEC 1 LOTS 1, 2, 3, 4, S/2 N/2, S/2 641.02 ACRES
L004857/00 TRACT 01 W-102710	FOSSIL ASSOCIATES	11/18/86	WY SUBLETTE T27N-R106W SEC 13 ALL 640.00 ACRES
L004956/00 TRACT 01 W-104165	FOSSIL ASSOCIATES	05/11/87	WY SUBLETTE T27N-R106W SEC 2 LOTS 1, 2, 3, 4, S/2 N/2, S/2 SEC 3 LOTS 1, 2, 3, 4, S/2 N/2, S/2 SEC 4 LOTS 1, 2, 3, 4, S/2 N/2, S/2 SEC 5 LOTS 1, 5, 6, 7, 8, 9, 10, 11, S/2 SEC 12 ALL 3223.91 ACRES
L004960/00 TRACT 01 W-104179	FOSSIL ASSOCIATES	05/11/87	WY SUBLETTE T28N-R107W SEC 1 S/2 SEC 2 LOTS 1, 2, S/2 SEC 12 ALL 1308.12 ACRES

338

COMPANY 011 CNG PRODUCING CO - NEW ORLEANS

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
93 AUG 17 AM 9:00
RECEIVED
CHEYENNE, WYOMING

LEASE NUMBER / LESSOR	LESSEE	RECORDED LSE DATE	ST COUNTY DESCRIPTION
L004961/00 TRACT 01 W-104180	FOSSIL ASSOCIATES	05/11/87	WY SUBLETTE T28N-R107W SEC 3 LOTS 2, 3, S/2 SEC 10 ALL SEC 11 ALL SEC 13 ALL SEC 14 E/2 SEC 23 NE/4 SEC 24 N/2, SW/4, N/2 SE/4, SW/4 SE/4 3349.44 ACRES
L004962/00 TRACT 01 W-104181	FOSSIL ASSOCIATES	05/11/87	WY SUBLETTE T28N-R107W SEC 26 W/2, SE/4 SEC 27 E/2 SEC 35 ALL 1440.00 ACRES
L004963/00 TRACT 01 W-104182	FOSSIL ASSOCIATES	05/11/87	WY SUBLETTE T29N-R107W SEC 34 E/2 SW/4, SE/4 SEC 35 ALL 880.00 ACRES
L005108/00 TRACT 01 W-104799	FOSSIL ASSOCIATES	05/20/87	WY SUBLETTE T28N-R107W SEC 14 W/2 SEC 15 ALL SEC 22 ALL 1600.00 ACRES

333

COMPANY 011 CNG PRODUCING CO - NEW ORLEANS

LEASE NUMBER / LESSOR	LESSEE	RECORDED LSE DATE	ST COUNTY DESCRIPTION
L005109/00 TRACT 01 W-104800	FOSSIL ASSOCIATES	06/10/87	WY SUBLETTE T28N-T107W SEC 1 LOTS 3, 4 SEC 4 LOT 2, SW/4, E/2 SE/4 SEC 5 LOTS 1, 2 SEC 9 ALL T29N-R107W SEC 34 N/2
L008263/00 TRACT 01 W-106153	FOSSIL ASSOCIATES	10/09/87	WY SUBLETTE T27N-R107W SEC 35 ALL 640.00 ACRES
L009912/00 TRACT 01 W-108079	FOSSIL ASSOCIATES	02/29/88	WY SUBLETTE T28N-R107W SEC 6 LOTS 1, 5, 6, 7, 8, 9, NE/4 SE/4, S/2 SE/4 SEC 7 E/2 SEC 8 ALL SEC 21 ALL SEC 28 ALL 2539.74 ACRES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
93 AUG 17 AM 9:00
RECEIVED
CHEYENNE, WYOMING

384

335

Producers 88
Rocky Mountain 1989

PAID-UP

OIL AND GAS LEASE

247979

RECORDED Dec. 26, 19 94 9:15 AM
IN BOOK 98 PAGE 335
FEES 10.00
SUBLETTE COUNTY CLERK
By Cathy Sexton

THIS AGREEMENT, made and entered into this 20th day of July, 19 94, by and between Irene Pavlisin Thomas, a widow

of 7700 Gingerblossom Drive, Citrus Heights, CA. 95621 hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more dollars ($ 10.00) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as delined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Refer to EXHIBIT "A" Attached hereto and made a Part hereof

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~XXXXX~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

~~3. If lessee has not commenced drilling operations on or before the day of 19 this lease~~ shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Bank, at (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of DOLLARS ($), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to ~~keep the lease in force during the remainder of the primary term.~~

5. If at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, ~~XXXX

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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that [illegible] reason of such suspension, lessee shall pay [illegible] anniversary dates hereof [illegible] if this lease is extended beyond the primary term above stated by

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

This is a paid-up lease. All annual rental payments have been paid in advance to keep this lease in force and effect throughout the primary term stated herein.

SS# 520-24-5490

Irene Pavlisin Thomas, a widow

Irene Pavlisin Thomas

STATE OF California
COUNTY OF Placer } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 5th day of August, 19 94, before me personally appeared Irene Pavlisin Thomas, a widow

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 5th day of August, 19 94.

My commission expires:
August 24, 1996

Betty B. Muegge
Comm. #971280
NOTARY PUBLIC - CALIFORNIA
PLACER COUNTY
My Comm. Expires Aug. 24, 1996

Notary Public for the State of California
residing at 426 Folsom Rd, Roseville, CA 95678

STATE OF
COUNTY OF } ss.

CORPORATE, Wyoming, Montana, Colorado

On this day of, 19, before me personally appeared

to me personally known, who, being by me duly sworn, did say that he is the President (or Secretary) of

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this day of, 19.

My commission expires:

Notary Public for the State of

residing at

336

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 20th day of July, 1994, by and between Irene Pavlisin Thomas, a widow, Lessor, and Contex Energy Company, Lessee.

Township 28 North, Range 112 West, 6th P.M.
Section 11: $SW\frac{1}{4}SW\frac{1}{4}$
Section 14: $W\frac{1}{2}NW\frac{1}{4}$
Section 15: $N\frac{1}{2}N\frac{1}{2}$

containing 280.00 acres, more or less

Producers 88
Rocky Mountain 1989

[redacted]

PAI[redacted]

OIL AND GAS LEASE

RECORDED Aug. [redacted] 94 9:15 AM
IN BOOK 98 046 PAGE 338
FEES 10.00
SUBLETTE COUNTY CLERK
By Cathy Sexton

247980

THIS AGREEMENT, made and entered into this 26th day of July, 19 94, by and between Kathryn C. Catalano, a married woman dealing in her sole and separate property of 7085 So. Harrison St., Littleton, Colorado 80122-2054 hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Denver, CO 80202 (#212) hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ----------ten and more---------- dollars ($ 10.00--------) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Refer to EXHIBIT "A" attached hereto and made a part hereof

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~XXXXX~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

~~3. If lessee has not commenced drilling operations on or before the _____ day of _____, 19_____, this lease~~ shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the _____ Bank, at _____ (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of _____ DOLLARS ($_____), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceased at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to ~~keep the lease in force during the remainder of the primary term.~~

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ a sum equal to ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ $1.00 per acre ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the ~~rental paying~~ anniversary date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the subleasees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals are not provided shall not be extended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay delay rental at the anniversary dates hereof in the manner above stated.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

This is a paid-up lease. All annual rental payments have been paid in advance to keep this lease in force and effect throughout the primary term stated herein.

SS# 520-28-7714

Kathryn C. Catalano.

Kathryn C. Catalano, a married woman dealing in her sole and separate property

STATE OF Colorado
COUNTY OF Arapahoe } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 2nd day of August, 19 94, before me personally appeared Kathryn C. Catalano, a married woman dealing in her sole and separate property

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same as her free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 2nd day of August, 19 94.

My commission exprires: 5-15-95

Cynthia A. Warren
Notary Public for the State of Colorado
residing at 5050 S. Broadway, Eng. Co 80110

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 _____, before me personally appeared _____,

to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 _____.

My commission expires:

Notary Public for the State of _____,
residing at _____

$1.00 per net mineral acre rental on the next ensuing

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 26th day of July, 1994, by and between Kathryn C. Catalano, a married woman dealing in her sole and separate property, Lessor, and Contex Energy Company, Lessee.

Township 28 North, Range 112 West, 6th P.M.
Section 23: Lots 6(39.50), 10(29.71), 11(21.12), and the bed of the Green River Riparian to Lots 6, 10 and 11
Section 26: Lots 2(29.59), 3(6.36), 4(39.97), 10(36.46), NE¼NW¼, W½NW¼, NW¼SW¼, and the bed of the Green River Riparian to Lots 2, 3, 4 and 10

containing 362.71 acres, more or less

341

Producers 88
Rocky Mountain 1989

PAID-UP

OIL AND GAS LEASE

RECORDED Aug. 26, 1994 9:15 AM
IN BOOK 92 PAGE 341
FEES 10.00
SUBLETTE COUNTY CLERK
By Cathy Sexton

247981

THIS AGREEMENT, made and entered into this 26th day of July, 1994, by and between Marie Graves a/k/a Marie F. Graves, a married woman dealing in her sole and separate property of 2445 So. Colorado Blvd., Apt. 342, Denver, CO 80222, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ----------ten and more---------- dollars ($ 10.00--------) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Refer to EXHIBIT "A" attached hereto and made a part hereof

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

MH

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~XXXXX~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

~~3. If lessee has not commenced drilling operations on or before the _____ day of _____, 19____, this lease~~ shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the _____ Bank, at _____ (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of _____ DOLLARS ($_____), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to ~~keep the lease in force during the remainder of the primary term.~~

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, ~~as royalty on the lease,~~ a sum equal to ~~the amount of delay rentals~~ $1.00 per acre ~~payable under the lease.~~ Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the ~~rental paying~~ anniversary date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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. Likew[redacted]reviously formed to include formations not producing o[redacted]y be reformed to exclude such non[redacted]ormations. The forming or reforming of any unit shall [redacted]lished by lessee executing and filing of record a decl[redacted]ch unitization or reformation, whic[redacted] shall describe the unit. Any unit may include land up[redacted]well has theretofore been completed or upon which drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals shall not be suspended and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay [illegible] the anniversary dates hereof in the manner above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

This is a paid-up lease. All annual rental payments have been paid in advance to keep this lease in force and effect throughout the primary term stated herein.

Marie D. Graves

SS# A520-09-7290

Marie Graves a/k/a Marie F. Graves, a married woman dealing in hersole and separate property

STATE OF Colorado
COUNTY OF Denver } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 5th day of August, 19 94, before me personally appeared Marie Graves a/k/a Marie F. Graves, a married woman dealing in her sole and separate property,
to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same as her free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 5th day of August, 19 94.

My commission expires: 2/16/98

Judith A Shettin
Notary Public for the State of Colorado,
residing at Denver Co.

STATE OF
COUNTY OF } ss.

CORPORATE, Wyoming, Montana, Colorado

On this day of, 19, before me personally appeared

to me personally known, who, being by me duly sworn, did say that he is the President (or Secretary) of

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this day of, 19.

My commission expires:

Notary Public for the State of,
residing at

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 26th day of July, 1994, by and between Marie Graves a/k/a Marie F. Graves, a married woman dealing in her sole and separate property, Lessor, and Contex Energy Company, Lessee.

Township 28 North, Range 112 West, 6th P.M.
Section 23: Lots 6(39.50), 10(29.71), 11(21.12), and the bed of the Green River Riparian to Lots 6, 10 and 11
Section 26: Lots 2(29.59), 3(6.36), 4(39.97), 10(36.46), NE¼NW¼, W½NW¼, NW¼SW¼, and the bed of the Green River Riparian to Lots 2, 3, 4 and 10

containing 362.71 acres, more or less

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

RECORDED Aug. [redacted] 1994 9:15 A.M.
IN BOOK 98 M+B PAGE 344
FEES 14.00 [illegible]
SUBLETTE COUNTY CLERK
By Cathy Soelton

247982

THIS AGREEMENT, made and entered into this 1st day of August, 1994, by and between Ruth F. Budd, a widow, individually and as Trustee of the Helen D. Tanner, Joseph L. Budd and Ruth F. Budd Mineral Trust dated 5/23/73 and amended 12/10/80 of P.O. Box 748, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

SEE EXHIBIT "A" AND "ADDENDUM TO OIL AND GAS LEASE", BOTH ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 1st day of August, 19 95, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Key Bank, at Big Piney, Wyoming 83113 (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of one thousand, sixteen & six/100's DOLLARS ($ 1716.06), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

~~10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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~~

RB

authority similar to this exists with respect to such other land, lease or leases. However, 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet in part, then insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

x Ruth F Budd
Ruth F. Budd, a widow, individually

x Ruth F. Budd
Ruth F. Budd, as Trustee of the Helen D. Tanner, Joseph L. Budd & Ruth F. Budd Mineral Trust dated 5/23/73 and amended 12/10/80

Tax I.D. No.

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 5th day of August, 19 94, before me personally appeared Ruth F Budd

to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she he executed the same as free act and deed including the release and waiver of the right of homestead.

Given under my hand and seal this 5th day of August, 19 94.

My commission expires: My Commission Expires 12/97

BARBARA HENRY
Notary Public
Sublette
State of
Wyoming

Barbara Henry
Notary Public for the State of Wyoming
residing at Big Piney

STATE OF
COUNTY OF } ss.

CORPORATE, Wyoming, Montana, Colorado

On this day of, 19, before me personally appeared

to me personally known, who, being by me duly sworn, did say that he is the President (or Secretary) of

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this day of, 19.

My commission expires:

Notary Public for the State of

residing at

Exhibit "A"

Attached to and made part of that certain Oil and Gas Lease dated August 1, 1994, by and between Ruth F. Budd, a widow, individually and as Trustee of the Helen D. Tanner, Joseph L. Budd and Ruth F. Budd Mineral Trust dated 5/23/73 and amended 12/10/80, Lessor, and Contex Energy Company, Lessee.

The following lands are covered by the above-described lease, to-wit:

Township 30 North, Range 112 West, 6th P.M.

Section 2: Lots 3(38.84 acres) and 4(38.64 ac.), S½NW¼, S½
Section 3: Lot 1(38.58 ac.)

Township 31 North, Range 112 West, 6th P.M.

Section 21: SW¼SW¼
Section 27: SW¼NW¼, SW¼
Section 28: SE¼NE¼, N½NW¼, SW¼NW¼
Section 34: W½NE¼, SE¼NE¼, E½NW¼, E½SE¼, NW¼SE¼
Section 35: SW¼

Township 31 North, Range 113 West, 6th P.M.

Section 11: SE¼SE¼
Section 13: SE¼NE¼, N½NW¼, SE¼NW¼, N½SE¼
Section 14: NE¼NE¼

Sublette County, Wyoming

Containing 1716.06 acres, more or less.

Signed for Identification:

Ruth F. Budd

Ruth F. Budd, a widow, individually
and as Trustee of the Helen D. Tanner,
Joseph L. Budd and Ruth F. Budd
Mineral Trust dated 5/23/73 and
amended 12/10/80

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 1st day of August, 1994, by and between Ruth F. Budd, a widow, individually and as Trustee of the Helen D. Tanner, Joseph L. Budd & Ruth F. Budd Trust dated 5/23/73 and amended 12/10/80, Lessor, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall by this reference be amended to read Fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

4. Lessee shall pay Surface Owners for reasonable damages to all property, real, personal or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. All of Lessee's slush pits shall be filled and leveled within a reasonable length of time after cessation of operations and the Lessee shall proceed with reasonable diligence to restore the surface of said lands to as near to its original condition, found prior to Lessee's operation, as is practicable.

5. [redacted] the construction of any roads, b[redacted], culverts or other access routes over the leased premises for oil and gas operations, Lessee and Surface Owners will mutually agree, such agreement not being unreasonably withheld, as to the direction and placement of same. Lessee shall also consult with the Surface Owners as to the location of any drill sites, pipelines, tank battery installations, or installation of other equipment on the leased premises before installing same.

6. During the Lease period, Lessee shall not be allowed to conduct seismic operation on hay meadows during times when same are under irrigation or are being harvested (said Period of exclusion is expected to be approximately from May 1 through August 31). If Lessee employs methods of geophysical exploration whereby drill holes and explosive charges are used, then and only in such case, Lessee shall pay Surface Owners One Hundred Fifty ($150.00) for each drill hole that Lessee drills upon the Lease Lands and shall post a Ten Thousand Dollar ($10,000.00) bond, at a local bank, for the purpose of guaranteeing proper plugging and reclamation of such drill holes.

Signed for Identification:

Ruth F. Budd

Ruth F. Budd, individually and as Trustee
for the Helen D. Tanner, Joseph L. Budd
& Ruth F. Budd Trust D. 5/23/73
Amd. 12/10/80

349

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

RECORDED Aug. 26 1994 9:15 A M
IN BOOK 98 PAGE 349
FEES 12.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

247983

THIS AGREEMENT, made and entered into this 1st day of August, 1994, by and between Ruth F. Budd, Betty Louise Fear, and Nancy Espenscheid, Trustees of the Joseph L. Budd Testamentary Trust, and individually as heirs of John C. Budd, a deceased person of P.O. Box 748, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 31 North, Range 113 West, 6th P.M.
Section 23: N½, S½SW¼, SE¼
Section 27: NE¼NE¼
containing 600.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five(5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 1st day of August, 1995, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Key Bank, at Big Piney, Wyoming 83113 (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of six hundred and no/100's DOLLARS ($ 600.00), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

~~10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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~~

[redacted] [redacted] [redacted]

authority similar to the units with respect to such other land, lease or leases [illegible] previously formed to include formations not producing [illegible] may be reformed to exclude such [illegible] 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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. RB RE BF

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. See Addendum to Oil & Gas Lease attached hereto and by this reference made a part hereof. RB RE

WHEREOF witness our hands as of the day and year first above written.

The Testamentary Trust of Joseph L. Budd

By:

Ruth F. Budd

Ruth F. Budd, Trustee & heir of John C. Budd, dec'd.

Nancy Espenscheid

Nancy Espenscheid, Trustee & heir of John C. Budd

Betty Louise Fear

Betty Louise Fear, Trustee & heir of John C. Budd

_____

_____

_____

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 1st day of August, 1994, by and between Ruth [illegible] Budd, Betty Louise Fear, and Nancy Espenscheid, Trustees of the Joseph L. Budd Testamentary Trust and individually as heirs of John C. Budd, a deceased person, Lessors , and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall by this reference be amended to read Fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) days prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

4. Lessee shall pay Lessor for reasonable damages to all property, real, personal or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. All of Lessee's slush pits shall be filled and leveled within a reasonable length of time after cessation of operations and the Lessee shall proceed with reasonable diligence to restore the surface of said lands to as near to its original condition, found prior to lessee's operation, as is practicable.

[redacted] [redacted] [redacted]

5. Prior to the construction of any roads, bridges, culverts or other access routes over the leased premises for oil and gas operations, Lessee and surface owners will mutually agree, such agreement not being unreasonably withheld, as to the direction and placement of same. Lessee shall also consult with the surface owner as to the location of any drill sites, pipelines, tank battery installations, or installation of other equipment on the leased premises before installing same.

6. During the Lease period, Lessee shall not be allowed to conduct seismic operation on hay meadows during times when same are under irrigation or are being harvested (said Period of exclusion is expected to be approximately from May 1 through August 31). If Lessee employs methods of geophysical exploration whereby drill holes and explosive charges are used, then and only in such case, Lessee shall pay Surface Owners One Hundred Fifty ($150.00) for each drill hole that Lessee drills upon the Lease Lands and shall post a Ten Thousand Dollar ($10,000.00) bond, at a local bank, for the purpose of guaranteeing proper plugging and reclamation of such drill holes.

Signed for Identification:

Ruth F. Budd
Ruth F. Budd, individually and as Trustee
for the Joseph L. Budd Testamentary Trust

Betty Louise Fear, individually and as Trustee
for the Joseph L. Budd Testamentary Trust

Nancy Espenscheid, individually and as Trustee
of the Joseph L. Budd Testamentary Trust

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

247984

RECORDED Aug. 24 1994 9:15A M
IN BOOK 98 Of6 PAGE 353
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sacco

THIS AGREEMENT, made and entered into this 30th day of June 1994, by and between Richard Frank Tanner and Linda Tanner, husband and wife, individually and as heirs to Helen D. Tanner and John C. Budd, both deceased persons of Box 100, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 31 North, Range 113 West, 6th P.M.
Section 23: N½, S½SW¼, SE¼
Section 27: NE¼NE¼
containing 600.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of five(5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 30th day of June, 1995, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the KeyBank of Wyoming Bank, at Big Piney, Wy (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of six hundred and no/100's **** DOLLARS ($ 600.00), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. ~~Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other lands, lease or leases in the immediate vicinity to the~~ [redacted] ~~production of oil and gas, or separately for the production of either~~ [redacted] ~~when in lessee's judgment it is necessary or advisable to do so, and~~ [redacted] ~~irrespective of whether~~

authority similar to this exists with respect to such other land, lease or leases. Li[redacted]s previously formed to include formations not produci[redacted] may be reformed to exclude such r[redacted]g formations. The forming or reforming of any unit sh[redacted]mplished by lessee executing and filing of record a d[redacted] such unitization or reformation, wh[redacted]ation shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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. RFT LT

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. See Addendum to Oil & Gas Lease attached hereto, and by this reference made a part hereof.

WHEREOF witness our hands as of the day and year first above written.

RFT LT

Richard Frank Tanner

Linda Tanner

ALICE L. GRIGGS
Notary Public
State of
Wyoming
My Commission Expires

520-42-9410
Social Security No.

521-50-1905

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 25th day of July, 1994, before me personally appeared Richard Frank Tanner - Linda Tanner, to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that They executed the same as their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 25th day of July, 1994.

My commission expires: 12/24/94

Notary Public for the State of Wyoming, residing at Marbleton.

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 ____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 ____.

My commission expires:

_____

Notary Public for the State of _____, residing at _____

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 30th day of June, 1994, by and between Richard Frank Tanner and Linda Tanner, Husband and Wife, Individually and as heirs to John C. Budd and Helen D. Tanner, both deceased persons, Lessors, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall by this reference be amended to read Fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) days prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

Signed for Identification:

Richard Frank Tanner

Linda Tanner

[redacted] [redacted] [redacted]

Producers 88
Rocky Mountain 1989

[redacted]

OIL AND GAS LEASE

247985

RECORDED Aug [redacted], 1994 9:15AM
IN BOOK 98 O&G PAGE 356
FEES 10.00
SUBLETTE COUNTY CLERK
By Cathy Sadler DEPUTY

THIS AGREEMENT, made and entered into this 30th day of June, 19 94, by and between John L.D. Tanner and Shirley Tanner, husband and wife, individually and as heirs to Helen D. Tanner and John C. Budd, both deceased persons, of P.O. Box 729, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 31 North, Range 113 West, 6th P.M.
Section 23: N½, S½SW¼, SE¼
Section 27: NE¼NE¼
containing 600.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten(10)~~ five(5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty(120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

JT ST

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 30th day of June, 19 95, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the KEY Bank, at BIG PINEY, WY (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of six hundred and no/100's DOLLARS ($ 600.00), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty(120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty(120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. ~~Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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~~

JT ST

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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that the land described above 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.~~ JT ST

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. See Addendum to Oil & Gas Lease attached hereto and by this reference made a part hereof.

WHEREOF witness our hands as of the day and year first above written.

JT ST

John L.D. Tanner

Shirley Tanner

ALICE I. GRIGGS
County of
Sublette
My Commission Expires
State of
Wyoming
Dec. 24, 1994

520-38-5034
Social Security No.

STATE OF Wyoming }
COUNTY OF Sublette } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 19th day of July, 1994, before me personally appeared John L.D. Tanner - Shirley J. Tanner to me known to be the person S described in, and who executed the foregoing instrument, and who acknowledged to me that The y executed the same as Their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 19th day of July, 1994.

My commission expires: 12/24/94

Notary Public for the State of Wyoming residing at Marbleton

STATE OF _____ }
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 _____.

My commission expires:

_____

Notary Public for the State of _____, residing at _____

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 30th day of June, 1994, by and between John L.D. Tanner and Shirley Tanner, Husband and Wife, individually and as heirs to John C. Budd and Helen D. Tanner, both deceased persons, Lessors, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall by this reference be amended to read Fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) days prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

Signed for Identification:

John L.D. Tanner

Shirley Tanner

RELEASE OF RECORD
[Terminated Oil and Gas and/or Mineral Lease]

Texaco Exploration and Production Inc., a Delaware corporation, as owner of that certain Oil and Gas and/or Mineral Lease executed and delivered by The First National Bank of Kemmerer, as Trustee of the Fear Family Trust, as Lessor, to Thomas Strook, as Lessee, dated the 29th of December, 1972 and recorded in Book 48 at Page 628 of the Records of Sublette County, State of Wyoming, covering:

Township 28 North, Range 112 West, 6th PM

Section 24: Lot 9, 11, SE1/4SW1/4;

Section 25:Lots 2,5, N1/2NW1/4, SE1/4NW1/4;

Section 26: Lots 1,7

Township 29 North, Range 111 West, 6th PM

Section 28: Lots 2,3,4,8,9, S1/2NW1/4, N1/2SW1/4, SW1/4SW1/4

which lease has now terminated of its own terms, does by these presents and for and in consideration of the premises, release all of its right, title and interest in, to and under said Oil and Gas and/or Mineral Lease in Sublette County, State of Wyoming.

Executed and dated this 19th day of August, 1994.

TEXACO EXPLORATION AND PRODUCTION INC.

By _____
Attorney-in-Fact

247993

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

RECORDED Aug 24, 1994 11:40 AM
IN BOOK 98 D76 PAGE 359
FEES 6.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
BY Cathy Sawyer DEPUTY
WY

The foregoing instrument was acknowledged before me this 19th day of August, 1994, by J.K. Hendrickson, the attorney in fact for Texaco Exploration and Production Inc., a Delaware corporation.

Witness my hand and official seal.

_____
Notary Public

My commission expires: 02-02-97

WY-214847-A
Prepared by:M.B. Wittler
Texaco Exploration and Production Inc.
Land Dept.
P. O. Box 46513
Denver, CO 80201-6513

S. MAYER NOTARY PUBLIC COLORADO

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

RECORDED Sept 1, 1994 9:00 AM
IN BOOK 98 Misc PAGE 340
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

248076

THIS AGREEMENT, made and entered into this 18th day of August 1994, by and between Paul I. Bertagnolli and Evelyn Bertagnolli, husband and wife

of 1314 Virginia St., Rock Springs, Wyoming 82901, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 28 North, Range 112 West, 6th P.M.
Section 11: SW¼SE¼
Section 12: SW¼SW¼
Section 13: Lot 3, W½NW¼
Section 14: N½NE¼, SE¼NE¼
containing 316.64 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five(5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal ~~one-eighth (⅛)~~ one-seventh(1/7th) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of ~~one-eighth (⅛)~~ one-seventh(1/7) of the gas sold or used, provided that on gas sold the royalty shall be ~~one-eighth (⅛)~~ one-seventh (1/7) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 18th day of August, 1995, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the North Side State Bank, at N. Front St., Rock Springs, WY. (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of three hundred, sixteen and 64/100's ********* DOLLARS ($ 316.64), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the subleasees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

Paul I. Bertagnolli

Evelyn Bertagnolli

520-18-6028
Social Security No.

520-30-0197
Social Security No.

STATE OF Wyoming
COUNTY OF Sweetwater } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 19th day of August, 19 94, before me personally appeared Paul I. Bertagnolli and Evelyn Bertagnolli to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that they executed the same as their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 19th day of August, 19 94.

My commission expires:
March 18, 1998

Notary Public for the State of Wyoming
residing at Rock Springs

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 _____, before me personally appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 _____.

My commission expires:

Notary Public for the State of _____
residing at _____

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

248077

RECORDED Sept. 1, 1994 9:00a M
IN BOOK 98 046 PAGE 362
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

THIS AGREEMENT, made and entered into this 18th day of August, 1994, by and between Flora Mae Bertagnolli, a widow

of 99 Railroad Ave., Rock Springs, Wyoming 82901, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ ****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 28 North, Range 112 West, 6th P.M.
Section 11: SW¼SE¼
Section 12: SW¼SW¼
Section 13: Lot 3, W½NW¼
Section 14: N½NE¼, SE¼NE¼
containing 316.64 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten(10)~~ five(5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal ~~one-eighth(⅛)~~ one-seventh(1/7th) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of ~~one-eighth(⅛)~~ one-seventh(1/7) of the gas sold or used, provided that on gas sold the royalty shall be ~~one-eighth(⅛)~~ one-seventh (1/7) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 18th day of August, 1995, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the North Side State Bank, at N. Front St., Rock Springs, WY (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of three hundred, sixteen and 64/100's DOLLARS ($ 316.64), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

Flora Mae Bertagnolli

Flora Mae Bertagnolli

520-20-5567
Social security No.

INDIVIDUAL, Wyoming, Montana, Colorado

STATE OF Wyoming }
COUNTY OF Sweetwater } ss.

On this 19th day of August, 19 94, before me personally appeared Flora Mae Bertagnolli to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same as her free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 19th day of August, 19 94.

My commission expires: March 18, 1998

Cheryl A Soduston

Notary Public for the State of Wyoming
residing at Rock Springs

CORPORATE, Wyoming, Montana, Colorado

STATE OF _____ }
COUNTY OF _____ } ss.

On this _____ day of _____, 19 _____, before me personally appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 _____.

My commission expires:

_____

Notary Public for the State of _____,
residing at _____

[redacted] [redacted]

LEASE NO. [redacted]-00641
PARCEL NO. 970
FUND Common School

Form Approved by the Board
and Effective March 1, 1982

STATE OF WYOMING
OIL AND GAS LEASE FORM

This Indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA-KAFAR LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 16, Twp. 30 N., Rg. 109 W., 6th P.M.

248079

RECORDED Sept. 1, 1989 10:00 AM
IN BOOK 98046 PAGE 364
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of October, 19 89 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners

By: Howard W. Hill
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Lehman A. Hill, General Partner
Shama-Kafar Limited Partnership
Address 621 17th St. Ste. 2640 City Denver
State Colorado 80293 (Zip) Telephone No. (303) 292-6270

Section 1. THE LESSEE AGREES

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands · 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2 00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item, provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land

(i) LOG OF WELLS AND REPORTS To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others on cornering or continguous lands to those leased herein All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control

(m) TAXES AND WAGES - FREEDOM OF PURCHASE To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3 APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this lease shall continue in full force and effect so long as such operations are being conducted and so long thereafter as oil or gas may be produced in paying quantities."

[redacted] [redacted]

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted]-00645
PARCEL NO. 974
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA-KAFAR LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 16, Twp. 30 N., Rg. 111 W., 6th P.M.

248080

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Dr G PAGE 3616
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sarton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of October, 19 89 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

* By: Howard M. [illegible]
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Gilman A. Hill, General Partner
Shama-Kadar Limited Partnership
Address 621 17th St. Ste. 2649 City Denver
State Colorado 80293 (Zip) Telephone No. (303) 292-6270

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES.

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1 00 per acre or fraction thereof

After the discovery of oil or gas in paying quantites to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land

(i) LOG OF WELLS AND REPORTS To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others on cornering or continguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor, to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i e , purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time

Section 5 RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this lease shall continue in full force and effect so long as such operations are being conducted and so long thereafter as oil or gas may be produced in paying quantities."

[redacted] [redacted]

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted]-00646
PARCEL NO. 975
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA-KAFAR LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

40.00	NE¼NW¼	Section 11, Twp. 31 N., Rg. 111 W., 6th P.M.
320.00	E½	Section 16, Twp. 31 N., Rg. 111 W., 6th P.M.
360.00 Acres		

248081

RECORDED Sept. 1 1994 10:00 AM
IN BOOK 9806 PAGE 368
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 360.00 - Advance Rental $ 360.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of October, 19 89 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. [illegible]
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Gilman A. Hill, General Partner
Shama-Kafar Limited Partnership
Address 621 17th St. Ste 2640 City Denver
State Colorado 80293 (Zip) Telephone No (303) 292-6270

OIL AND GAS LEASE TERMS

Section 1 THE LESSEE AGREES.

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all payments accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced, or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or contiguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others on cornering or continguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor, to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4 FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time

Section 5 RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands would be reinstated

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this lease shall continue in full force and effect so long as such operations are being co[redacted]d and so long thereafter a[redacted] or gas may be produced in [redacted] paying quantities."

Form Approved [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]00112
PARCEL NO. 156
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

636.61 Acres All Section 16, Twp. 30 N., Rg. 110 W., 6th P.M.

248082

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Misc PAGE 370
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 636.61 - Advance Rental $ 637.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard W. Hill
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership
Gilman A. Hill
Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood
State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced, or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor.

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such [redacted]ions are being conducted and so long thereafter as oil

Form Approve[redacted]oard
and Effect.ve March 1, 1982

[redacted]

LEASE NO. [redacted] 00118

PARCEL NO. 157

FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

40.45	Lot 8	Section 22, Twp. 30 N., Rg. 110 W., 6th P.M.
36.04	Lot 2	Section 23, Twp. 30 N., Rg. 110 W., 6th P.M.
76.49 Acres		

248083

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Oct6 PAGE 372
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 76.49 - Advance Rental $ 77.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill — Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1 THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands · 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of and Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full f[redacted]nd effect so long as such [redacted]ions are being co[redacted] and so long thereafter as [redacted] or gas may be produced in

Form Approv[redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]

PARCEL NO. 159

FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

80.00	E½NW¼	Section 8, Twp. 31 N., Rg. 110 W., 6th P.M.
80.00	W½SW¼	Section 15, Twp. 31 N., Rg. 110 W., 6th P.M.
160.00 Acres		

248084

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Misc PAGE 374
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 160.00 - Advance Rental $ 160.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1994 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

HC By: Howard M. Gilmore
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill — Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS. To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons. The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor.

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS. Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor.

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled.

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee. As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE. The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER. This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor.

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]d effect so long as such d[redacted]ons are being con[redacted] and so long thereafter as

[redacted]

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted]6116
PARCEL NO. 160
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 36, Twp. 31 N., Rg. 110 W., 6th P.M.

248085

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Q96 PAGE 376
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Hill
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced, or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor.

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof. In the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall Have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full for[redacted]d effect so long as such o[redacted]ions are being conducted and so long thereafter as oil or gas may be produced

[redacted] [redacted]

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted] 00117
PARCEL NO. 161
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This Indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 16, Twp. 32 N., Rg. 110 W., 6th P.M.

248086

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98646 PAGE 378
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard Wm. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES

(a) BOND To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to funish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5 RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows.

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]id effect so long as such o[redacted]ions are being conducted and so long thereafter as

Form Approved [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]0118
PARCEL NO. 162
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

280.00	W½NE¼:E½W½:SE¼SE¼	Section 21, Twp. 32 N., Rg. 110 W., 6th P.M.
160.00	E½NW¼:NE¼SW¼:SW¼SW¼	Section 28, Twp. 32 N., Rg. 110 W., 6th P.M.
80.00	N½SE¼	Section 32, Twp. 32 N., Rg. 110 W., 6th P.M.
40.00	NW¼NW¼	Section 33, Twp. 32 N., Rg. 110 W., 6th P.M.
560.00 Acres		

248087

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Misc. PAGE 380
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 560.00 Advance Rental $ 560.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill
Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1 THE LESSEE AGREES.

(a) BOND To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production and operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full for[redacted]d effect so long as such o[redacted]ions are being conducted and so long thereafter as

[redacted]

Form Approved [redacted] Board
and Effective March 1, 1982

LEASE NO. [redacted] 00119

PARCEL NO. 163

FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres ALL Section 36, Twp. 32 N., Rg. 110 W., 6th P.M.

248088

RECORDED Sept. 1, 1994 10:00 M
IN BOOK 980 PAGE 382
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

*By: Howard M [illegible]
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill
Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons. The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled.

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such o[redacted]ions are being conducted and so long thereafter as oil or gas [illegible]

[redacted]

Form Approved by the Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]0120
PARCEL NO. 164
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

40.00	SW¼SW¼	Section 3, Twp. 33 N., Rg. 110 W., 6th P.M.
39.45	NE¼NE¼	Section 4, Twp. 33 N., Rg. 110 W., 6th P.M.
40.00	NW¼SE¼	Section 10, Twp. 33 N., Rg. 110 W., 6th P.M.
40.00	SW¼NE¼	Section 27, Twp. 33 N., Rg. 110 W., 6th P.M.
159.45 Acres		

248089

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Misc. PAGE 384
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 159.45 - Advance Rental $ 160.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill — Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1 THE LESSEE AGREES:

(a) BOND To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands · 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are·

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or contiguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or contiguous lands to those leased herein All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the [redacted]y term or during any extension thereof, this [redacted] shall continue in full fo[redacted]d effect so long as such o[redacted]ons are being conducted and so long thereafter as

Form Approved by [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]00125
PARCEL NO. 169
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

120.00 Acres SE¼NE¼:W½SW¼ Section 32, Twp. 34 N., Rg. 110 W., 6th P.M.

248090

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 90 PAGE 386
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Sexton
COUNTY CLERK

County Sublette - Total Acres 120.00 - Advance Rental $ 120.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill
Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surely company authorized to transact business in the State of Wyoming, or such other surely as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this lease shall continue in full force and effect so long as such operations are being conducted and so long thereafter as oil or gas may be produced in

Form Approved [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted] 00127
PARCEL NO. 171
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 36, Twp. 30 N., Rg. 111 W., 6th P.M.

248031

RECORDED Sept 1, 1994 10:00AM
IN BOOK 98 Oth PAGE 388
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sorton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard W. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced, or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such [redacted]ions are being conducted and so long thereafter as oil or gas may be produced in

Form Approved [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted] 00128
PARCEL NO. 172
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

320.00 Acres W½ Section 16, Twp. 31 N., Rg. 111 W., 6th P.M.

248092

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 of M PAGE 390
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 320.00 - Advance Rental $ 320.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard W. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

391

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item, provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to funish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor.

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others on cornering or continguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee, and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this lease shall continue in full force and effect so long as such operations are being conducted and so long thereafter

Form Approved [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted] 00123
PARCEL NO. 173
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

480.00 Acres N½:SE¼ Section 36, Twp. 31 N., Rg. 111 W., 6th P.M.

248093

RECORDED Sept. 1, 1994 10:00 AM
IN BOOK 98046 PAGE 392
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Soxton

County Sublette - Total Acres 480.00 - Advance Rental $ 480.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Hill
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such [redacted]ions are being conducted and so long thereafter as

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted]

PARCEL NO. 174

FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 16, Twp. 32 N., Rg. 111 W., 6th P.M.

248094

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98076 PAGE 394
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill

Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1 THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS. To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons. The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor.

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS. Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner-ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor.

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled.

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee. As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE. The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER. This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor.

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such [redacted]ions are being con[redacted] and so long thereafter as [redacted]

Form Approved by [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]
PARCEL NO. 175
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

40.00 Acres NE¼SE¼ Section 34, Twp. 32 N., Rg. 111 W., 6th P.M.

248095

RECORDED Sept 1, 1994 10:00AM
IN BOOK 98 Misc PAGE 396
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Sexton COUNTY CLERK

County Sublette - Total Acres 40.00 - Advance Rental $ 40.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Tolman
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill
Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS. To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons. The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from sard lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS. Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee. As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE. The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER. This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such [redacted]ions are being conducted and so long thereafter as [redacted] or gas may be produced in

Form Approved [redacted] ard
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]
PARCEL NO. 176
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 36, Twp. 32 N., Rg. 111 W., 6th P.M.

248096
RECORDED Sept. 1 19 94 10:00AM
IN BOOK 98 Misc PAGE 398
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1 THE LESSEE AGREES

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- or contiguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or contiguous lands to those leased herein All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinqurished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such [redacted]ions are being conducted and so long thereafter

Form Approved [redacted] Board
and Effective March 1, 1982

[redacted]

LEASE NO. [redacted]
PARCEL NO. 177
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This Indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 16, Twp. 33 N., Rg. 111 W., 6th P.M.

248097

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Misc PAGE 400
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill — Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

401

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor.

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE: To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor.

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]d effect so long as such [redacted]ions are being conducted and so long thereafter as

Form Approved [redacted] Board
an. Effective March 1, 1982

LEASE NO. [redacted]
PARCEL NO. 178
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 36, Twp. 33 N., Rg. 111 W., 6th P.M.

248098

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 Misc PAGE 402
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard W. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership
Gilman A. Hill — Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

402

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline, the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS. To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons. The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor.

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS. Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor.

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled.

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee. As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE. The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER. This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor.

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted]e shall continue in full fo[redacted]nd effect so long as such [redacted]ions are being conducted and so long thereafter

[redacted]

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted]

PARCEL NO. 179

FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 16, Twp. 34 N., Rg. 111 W., 6th P.M.

248099

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 016 PAGE 404
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants; waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: [signature]
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

[signature] Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commódity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon corner- ing or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled.

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]d effect so long as such o[redacted]ons are being conduct[redacted] and so long thereafter as oil [illegible] gas may be produced

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted]
PARCEL NO. 180
FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP , as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

40.00	NE¼NE¼	Section 29, Twp. 34 N., Rg. 111 W., 6th P.M.
118.44	S½SW¼:SW¼SE¼	Section 30, Twp. 34 N., Rg. 111 W., 6th P.M.
276.99	NW¼NE¼:S½NE¼:NW¼	Section 31, Twp. 34 N., Rg. 111 W., 6th P.M.
435.43 Acres		

248100

RECORDED Sept. 1, 1994 10:00AM
IN BOOK 98 ONG PAGE 406
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton COUNTY CLERK

County Sublette - Total Acres 435.43 - Advance Rental $ 436.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of April, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Johnson
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership

Gilman A. Hill
Gilman A. Hill

Address 7128 S. Poplar Lane City Englewood

State Colorado 80112 (Zip) Telephone No. (303) 771-1101

406

OIL AND GAS LEASE TERMS

Section 1 THE LESSEE AGREES

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands · 2424 Pioneer Avenue, Cheyenne, Wyoming 82002.

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field.

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor.

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to funish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production and operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyomimg upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE. The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof. In the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full fo[redacted]nd effect so long as such o[redacted]ions are being con[redacted] and so long thereafter as [redacted] or gas may be produced in

[redacted]

Form Approved by the Board
and Effective March 1, 1982

LEASE NO. [redacted]

PARCEL NO. 577

FUND Common School

STATE OF WYOMING
OIL AND GAS LEASE FORM

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners, as lessor, and

SHAMA ZOE LIMITED PARTNERSHIP

, as lessee.

WITNESSETH:

Section 1. PURPOSE. The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by lessee, does hereby grant and lease to the lessee, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land, to-wit:

640.00 Acres All Section 36, Twp. 33 N., Rg. 112 W., 6th P.M.

248101

RECORDED Sept. 1, 19 94 10:00 AM
IN BOOK 98 Misc PAGE 408
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

County Sublette - Total Acres 640.00 - Advance Rental $ 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, buildings, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be producd from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the lessor owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately.

Section 4. Lessee expressly represents that, if an individual, lessee is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age - and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to and operations by lessee hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by lessor and lessee to become effective on the 2nd day of October, 19 93 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard M. Tolin
Commissioner of Public Lands and Farm Loans - Secretary

LESSEE: Shama Zoe Limited Partnership
by: Lilman A. Hill, General Partner

Address 7128 S. Poplar Lane City Englewood,
State Colorado 80112 (Zip) Telephone No. (303) 771-1101

408

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b) PAYMENTS. To make all paynents accruing hereunder to the Commissioner of Public Lands - 2424 Pioneer Avenue, Cheyenne, Wyoming 82002

(c) RENTALS Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payment of rental on an operating lease.

(d) ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United States of America for its royalties from the same field

(v) In cases where natural gas is produced and the natural gas gasoline extracted therefrom only one royalty shall be paid, except in the event the residue or dry gas shall be marketed it shall then constitute a separate commodity and a royalty shall be paid thereon as above provided.

(vi) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced; or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons. The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor

(f) MEASUREMENTS OF PRODUCTION To guage, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural-gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand,

(g) MONTHLY PAYMENTS AND STATEMENTS Unless the time of payment is otherwise extended by the Commissioner of Public Lands, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or continguous lands operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form of report prescribed by the lessor.

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i) LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production and operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the Commissioner may waive such reports as conditions may warrant.

(j) PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the undue drainage of the oil and gas thereunder by wells operated by the lessee or others cornering or continguous lands to those leased herein. All plans or methods for the purpose of regulating or increasing production on lands herein leased other than those in common use shall be presented to the lessor for approval before being put into actual operation

No production agreements limiting, restricting, prorating, or otherwise affecting the natural production from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k) SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfacory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l) DILIGENCE - PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor; not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m) TAXES AND WAGES - FREEDOM OF PURCHASE. To pay, when due, all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n) ASSIGNMENTS OF LEASE - PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the Commissioner when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o) DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES

(a) The right to lease, sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necesary for the use of the lessee in the conduct of operations hereunder.

(b) The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by this lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c) From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d) The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands as provided in Section 3(e) below.

(e) The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f) In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee. As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right, subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time

Section 5. RELINQUISHMENT AND SURRENDER This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the Commissioner of Public Lands, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Commissioner or at some later date, if such be so specified by the lessee therein If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Commissioner, a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor.

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. A relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

Sec. 1 (p)

"Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this [redacted] shall continue in full for [redacted] effect so long as such operations are being conducted and so long thereafter as oil or gas may be produced in

[redacted] [redacted]

LEASE NO. [redacted]-00535

PARCEL NO.: 782

FUND: Common School

Form Approved by the Board
and Effective March 1, 1982

STATE OF WYOMING
OIL AND GAS LEASE

This indenture of lease entered into by and between the State of Wyoming, acting by and through its Board of Land Commissioners as LESSOR, and the following as LESSEE:

HIGH PLAINS ASSOCIATES, INC.

Section 1. PURPOSE. The LESSOR, in consideration of the rents and royalties to be paid and the covenants and agreements to be kept and performed by the LESSEE, does hereby grant and lease to the LESSEE, the exclusive right to drill for, mine, extract, remove, and dispose of all the oil, gas and associated hydrocarbon substances and gaseous substances and elements produced therewith, including sulphur, hydrogen sulfide, sulphur dioxide, nitrogen, carbon dioxide and helium, which may be produced from the following described land:

640.00 All

Section 36, Twp. 31 N., Rg. 112 W., 6th P.M.

County: Sublette Total Acres: 640.00 Advance Rental $: 640.00
($1.00 per acre or fraction thereof)

Together with the right of ingress and egress and the right to use so much of the surface of said lands as is necessary to construct and maintain thereupon all works, building, plants, waterways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other facilities necessary to the proper conduct of operations thereunder.

Section 2. TERM OF LEASE. This lease shall become effective on the day and year set out below and shall remain in effect for a primary term of five (5) years and for so long thereafter as leased substances may be produced from the lands in paying quantities. This lease may also be extended beyond its primary term in the absence of production of leased substances as may be provided by the statutes of the State of Wyoming and the regulations of the Board of Land Commissioners adopted pursuant thereto. Provided, however, if drilling, completion, testing or reworking operations are being diligently conducted, either during the primary term or during any extension thereof, this lease shall continue in full force and effect so long as such operations are being conducted and so long thereafter as oil or gas may be produced in paying quantities. This lease may be relinquished or terminated at an earlier date as herein provided.

Section 3. If the LESSOR owns an interest in oil and gas in said land less than the entire fee simple estate, then the royalties and rentals to be paid LESSOR shall be reduced proportionately.

Section 4. LESSEE expressly represents that, if an individual, LESSEE is a citizen of the United States, or has declared an intention to become a citizen, and is over 19 years of age-and if a corporation, is duly qualified to transact business in Wyoming.

Section 5. This lease is issued under the authority conferred by Title 36, W.S. 1977 as to the State and School Lands, and Title 11, W.S. 1977 as to Farm Loan lands, and shall be subject to, and operations by LESSEE hereunder shall be conducted in compliance with the specific lease terms set out on the reverse of this lease, and with all applicable state statutory requirements and the regulations issued thereunder, including those providing for: the leasing of State or Farm Loan Lands for oil and gas; the conservation of oil and gas; and the regulation of security transactions.

Section 6. HEIRS AND SUCCESSORS IN INTEREST. It is covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit thereof shall inure to the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease has been executed by LESSOR and LESSEE to become effective on the 2nd day of December, 1993 A.D.

LESSOR, STATE OF WYOMING, Acting by and through its Board of Land Commissioners.

By: Howard W. Johnson
Director,
State Land and Farm Loan Office

High Plains Associates, Inc.

LESSEE: Louis A. Oswald, III
Louis A. Oswald, III, President

Address: 1600 Broadway, Suite 1565

City: Denver State: CO Zip: 80202

Telephone No. (303) 830-0888

248102

RECORDED Sept. 1, 1994 10:00 AM
IN BOOK 98 O/G PAGE 410
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

410

OIL AND GAS LEASE TERMS

Section 1. THE LESSEE AGREES:

(a) BOND. To furnish a bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum as required by the current rules of the State Board of Land Commissioners, conditioned upon the payment of all rentals and royalties accruing to the lessor under the terms hereof, and upon the full compliance of all other terms and conditions of this lease and the rules and regulations relating thereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the lessor may decide upon commencement of drilling operations and after the discovery of oil or gas.

(b)PAYMENTS. To make all payments accruing hereunder to the State Land and Farm Loan Office, 122 West 25th Street, Cheyenne, Wyoming 82002-0600.

(c)RENTALS. Prior to the discovery of oil or gas in paying quantities to pay the lessor in advance, beginning with the effective date hereof, an annual rental of $1.00 per acre or fraction thereof.

After the discovery of oil or gas in paying quantities to pay the lessor in advance beginning with the first day of the lease year succeeding the lease year in which actual discovery was made, an annual rental of $2.00 per acre or fraction thereof, unless changed by agreement. Such rental so paid for any one year shall be credited on the royalty for that year.

Annual rentals on all leases shall be payable in advance for the first year and each year thereafter. No notice of rental due shall be sent to the lessee. If the rental is not paid on or before the date it becomes due, notice of default will be sent to the lessee, and a penalty of $0.50 per acre for late payment will be assessed.

The lessee is not legally obligated to pay either the rental or the penalty, but if the rental and penalty are not paid within thirty (30) days after the notice of default has been received, the lease will terminate automatically by operation of law. Termination of the lease shall not relieve the lessee of any obligation incurred under the lease other than the obligation to pay rental or penalty. The lessee shall not be entitled to a credit on royalty due for any penalty paid for late payments of rental on an operating lease.

(d)ROYALTIES. The royalties to be paid by lessee are:

(i) On oil, one-sixth of that produced, saved, and sold from said land, the same to be delivered at the wells or to the credit of lessor into the pipe line to which the wells may be connected.

(ii) On gas, including casinghead gas or other hydrocarbon substances, produced from said land saved and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the well of one-sixth of the gas so sold or used, provided that on gas sold at the wells, the royalty shall be one-sixth of the amount realized from such sale.

(iii) On all other hydrocarbons of value and gaseous substances and elements produced or extracted, including propane, butane, sulphur, nitrogen, carbon dioxide, and helium, at such royalty as shall be mutually determined to be fair and reasonable.

(iv) For royalty purposes on gas and natural gasoline the value shall be as approved by the lessor, and in the determination of the value of natural gasoline the fair cost of extraction shall be considered as a deductible item; provided, however, that the allowance for the cost of extraction may exceed two-thirds of the amount or value only on approval of the lessor and in no event shall the price for gas, or natural gasoline, be less than that received by the United State of America for its royalties from the same field.

(v) Natural gas and oil actually used for operating purposes upon the land and, except as to the ultimate sale thereof, gas or liquid hydrocarbons returned to the sand for stimulating the production of oil or secondary recovery purposes shall be royalty free.

(e) DISPOSITION OF ROYALTY OIL AND GAS. To deliver to the lessor, or to such individual, firm or corporation as the lessor may designate, all royalty oil, gas, or other kindred hydrocarbons, free of charge on the premises where produced, or, at the option of the lessor, and in lieu of said royalties in kind, the lessee agrees to pay the lessor the field market price or value of all royalty oil, gas, or other kindred hydrocarbons produced and saved.

When the lessor elects to take its royalty oil, gas, or other hydrocarbons in kind such as oil, gas, or other kindred hydrocarbons shall be good merchantable oil, gas, or other kindred hydrocarbons. The lessee shall if necessary furnish storage for royalty oil free of charge for thirty (30) days after the end of the calendar month in which the oil is produced, upon the leased premises, or at the such place as the lessor and the lessee may mutually agree upon, provided, that the lessee shall not be held liable for loss or destruction of royalty oil so stored from causes beyond his control.

The free storage of oil, as herein provided, shall apply only as long as the said oil is the property of the lessor.

(f) MEASUREMENTS OF PRODUCTION. To gauge, measure and correct for temperature all production from said lands in conformance with the rules and regulations adopted by the Board of Land Commissioners and report said production to the lessor in accordance therewith.

To keep books, records, and reports pertaining to the production from the land herein leased as well as those pertaining to the production from offset wells operated by the lessee, his operator, or sub-lessee on other lands, which shall be opened at all times for the inspection of any duly authorized agent of the lessor.

To furnish the lessor with original pipe line reports showing the day, month, year, amount, gravities, and temperatures of all oil run and with monthly reports showing the month, year, amount, and price of all gas and natural gas gasoline and other products produced and sold from the land herein leased, and the amount of gas returned to the sand.

(g) MONTHLY PAYMENTS AND STATEMENTS. Unless the time of payment is otherwise extended by the State Land and Farm Loan Office, to make payment on or before the twentieth (20th) day of the calendar month succeeding the month of production and removal and sale of oil and gas from said land, and to furnish sworn monthly statements therewith showing in detail the quantity and quality of the production (per well if required where practical) from the land hereby leased, and the quantity and quality of the production (per well where practical) from offset wells upon cornering or contiguous land operated by the lessee, his operator or sub-lessee and such other information as may be called for in the form or report prescribed by lessor.

(h) WELLS TO BE DRILLED. To drill and operate effectively all wells necessary to reasonably offset wells upon and production from adjoining lands.

To drill such additional wells at such times or places as are necessary and essential to the proper development and commercial production of the oil and gas content of said land.

(i)LOG OF WELLS AND REPORTS. To keep a log, in the form approved by the lessor, of each well drilled by the lessee on the lands herein leased, showing the strata and character of the formations, water sands and mineral deposits penetrated by the drill, amount of casing, size and where set, and such other information as the lessor may require which log or copy thereof shall be furnished to the lessor.

To file progress reports, in the form prescribed by the lessor, at the end of each thirty (30) day period while each well is being drilled.

To file annually, or at such times as the lessor may require, maps showing the development of the structure and the location of all wells, pipe lines and other works used in connection with the operations of the lessee upon said land.

To make such other reports pertaining to the production and operations by the lessee on said land, and report such other information as may be possessed by the lessee on the wells, production or operations of others on lands on the same geologic structure that may be of importance in effecting proper development and operation of the lands herein leased, as may be called for by the lessor. All logs, maps, and reports shall be submitted in duplicate and the State Land and Farm Loan Office may waive such reports as conditions may warrant.

(j)PRODUCTION. To operate the wells upon the land herein leased in a competent and efficient manner in an endeavor to recover all the oil and gas economically possible from said land and to prevent the under drainage of the oil and gas thereunder by wells operated by the lessee or others on cornering or contiguous lands to those leased herein. All plans or methods for the purpose of stimulating or increasing production on lands herein leased other than those in common use shall first be presented to the lessor for approval before being put into actual operation.

No production agreements limiting, restricting, prorating, or otherwise affecting the naturalproduction from said land shall be entered into by the lessee, nor shall the lessee limit, restrict, or prorate the natural production from said land in any way or in any event, except with the consent in writing of the lessor first had an obtained.

(k)SUSPENSION OF OPERATIONS. Should any well drilled upon lands covered by this lease obtain production of oil, gas, or other hydrocarbons in paying quantities and if the lessee is unable to establish a satisfactory market for the oil, gas or hydrocarbons produced from said well, the lessee may apply for and the lessor may grant permission for the suspension of production operations until such times as a satisfactory market for the product from said well can be developed. During the time any such suspension of operations is in effect, the lessee shall continue to pay the annual rental of $2.00 per acre or fraction thereof provided by (c) above, and this lease shall remain in effect as though oil or gas was being produced from said lands.

(l)DILIGENCE-PREVENTION OF WASTE. To exercise reasonable diligence in drilling, producing, and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practice, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata to the destruction or injury of such deposits, the preservation and conservation of the property for future productive operations and to the health and safety of workmen and employees; to plug securely in an approved manner any well before abandoning it, and not to abandon any well without permission of the lessor, not to drill any well within two hundred (200) feet of any of the outer boundaries of the land covered hereby, unless to protect against drainage by wells drilled on lands adjoining less than 200 feet from the property lines thereof; to conduct all operations subject to the inspection of the lessor; to carry out at the lessee's expense all reasonable orders and requirements of the lessor relative to the prevention of waste and preservation of the property and the health and safety of workmen including the replanting and reseeding of drilling sites and other areas disturbed by drilling operations and on failure of the lessee so to do the lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damage or prevent waste at the lessee's expense; to abide by and conform to valid applicable regulations prescribed to reimburse the owner of the surface, if other than the lessor, or lessee of grazing rights thereof for actual damages thereto and injury to improvements thereon, provided, that the lessee shall not be held responsible for acts of providence or actions beyond his control.

(m)TAXES AND WAGES-FREEDOM OF PURCHASE. To pay, when due all taxes lawfully assessed and levied under the laws of the State of Wyoming upon improvements, oil and gas produced from the land hereunder, or other rights, property or assets of the lessee, to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees in conformance with the laws of the State of Wyoming.

(n)ASSIGNMENTS OF LEASE-PRODUCTION AGREEMENTS. Not to assign this lease or any interest therein, nor subject any portion of the leased premises, except with the consent in writing of the lessor first had and obtained.

All overriding royalties to be valid, must have the approval of the Board or by the State Land and Farm Loan Office when authority to do so has been delegated by the Board and will be recorded with the lease. The Board reserves the right of disapproval of such overriding royalties when in its opinion they become excessive and hence are detrimental to the proper development of the leased lands.

(o)DELIVER PREMISES IN CASE OF FORFEITURE. To deliver up the leased premises, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease, but this shall not be construed to prevent the removal, alteration or renewal of equipment and improvements in the ordinary course of operations.

Section 2. THE LESSOR EXPRESSLY RESERVES:

(a) The right to lease sell, or otherwise dispose of the surface of the land embraced within this lease under existing laws or laws hereafter enacted, and in accordance with the rules of the Board of Land Commissions insofar as the surface is not necessary for the use of the lessee in the conduct of operations hereunder.

(b)The right to lease, sell, or otherwise dispose of other mineral or subsurface resources not covered by the lease, in accordance with the applicable laws and the rules of the Board of Land Commissioners.

(c)From the operation of this lease, the surface lands heretofore granted for rights-of-way and easements and reserves the right to grant such other rights-of-way and easements as provided by the statutes of the State of Wyoming, as long as such rights-of-way and easements do not conflict with the operations for oil and gas on the land herein leased.

(d)The right to refuse to commit the leased lands to a unit plan of development if the Board finds such action would impair the lessor's reserved right to take its royalty gas in kind and to purchase all other gas allocated to the leased lands a provided in Section 3(e)below.

(e)The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the lessee's fair share of allowable production under any system of State or National curtailment and proration authorized by law.

(f)In addition to its right to take its royalty gas in kind, the lessor reserves the right and option to purchase all other gas produced for sale or use off the leased lands. This option shall be exercised only if the Board finds that the lessee has received and is willing to accept a bona fide offer from a purchaser who intends to sell or transport the gas into interstate commerce and that one or more intrastate purchasers (i.e., purchasers who will use, consume, or sell the gas for use or consumption entirely within the State of Wyoming) are willing and able to purchase the gas upon terms reasonably comparable to and at least as favorable to the lessee as those offered by the interstate purchaser. The Board shall waive this option and permit an interstate sale if it finds that no intrastate purchaser is willing and able to purchase the gas upon terms which are reasonably comparable to and at least as favorable to the lessee. As a condition to such waiver, a satisfactory agreement may be entered into by which the production of its royalty gas may be deferred until it can be produced and sold for consumption and use entirely within the State of Wyoming.

Section 3. APPRAISAL OF IMPROVEMENTS. The lessee shall have the right subject to the provisions of Title 36, as to State and State School Lands, and Title 11, as to Farm Loan Board Lands, W.S. 1977, to remove any improvements owned by lessee within a reasonable time after the termination of this lease. Lessee agrees that any such improvements not removed within a reasonable time after termination of this lease shall be disposed of pursuant to the above statutes.

Section 4. FORFEITURE CLAUSE. The Board shall have the power and authority to cancel leases procured by fraud, deceit, or misrepresentations, or for the use of the lands for unlawful or illegal purposes, or for the violation of the covenants of the lease, upon proper proof thereof, in the event that the lessee shall default in the performance or observance of any of the terms, covenants, and stipulations hereof, or of the general regulations promulgated by the Board of Land Commissioners and in force on the date hereof, the lessor shall serve notice of such failure or default either by personal service or by certified or registered mail upon the lessee, and if such failure or default continues for a period of thirty (30) days after the service of such notice, then and in that event the lessor may, at its option, declare a forfeiture and cancel this lease, whereupon all rights and privileges, obtained by the lessee hereunder shall terminate and cease and the lessor may re-enter and take possession of said premises or any part thereof. These provisions shall not be construed to prevent the exercise by lessor any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause or forfeiture shall not prevent the cancellation and forfeiture of this lease by any other cause of forfeiture, or for the same cause occurring at any other time.

Section 5. RELINQUISHMENT AND SURRENDER. This lease may be relinquished and surrendered to lessor as to all or any legal subdivision of said lands as follows:

(a) If no operations have been conducted under the lease on the land to be relinquished, the lessee shall file with the State Land and Farm Loan Board, a written relinquishment or surrender, duly signed and acknowledged and stating therein that no operations have been conducted on the land. The relinquishment so filed shall become effective on the date and hour of receipt thereof in the office of the Director or at some later date, if such be so specified by the lessee therein. If the said relinquishment fails to state that no operations have been conducted, the effective date of relinquishment shall be the date the relinquishment is approved by the Board.

(b) If operations have been conducted under the lease on land proposed to be relinquished, the lessee shall give sixty (60) days notice and shall file with the Director a written relinquishment or surrender duly acknowledged and stating therein that operations have been conducted on the land. The relinquishment shall not become effective until the land and the wells thereon shall have been placed in condition acceptable to lessor and shall have been approved by the State Oil and Gas Supervisor.

All rentals becoming due prior to a surrender or relinquishment becoming effective, shall be payable by lessee unless payment thereof shall be waived by lessor. Upon relinquishment having become effective there shall be no recourse by lessee and the lease as to the relinquished lands may not be reinstated.

2003 DEC 23 PM 12:31

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

248114

RECORDED Sept. 2, 19 94 9:00 HM
IN BOOK 98 Mis PAGE 412
FEES 12.00
SUBLETTE COUNTY CLERK
By Cathy Sarton

THIS AGREEMENT, made and entered into this 1st day of August, 19 94, by and between Ruth F. Budd, a widow, individually and as Trustee of the Helen D. Tanner, Joseph L. Budd and Ruth F. Budd Mineral Trust dated 5/23/73 and amended 12/10/80 of P.O. Box 748, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ ****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 31 North, Range 112 West, 6th P.M.
Section 28: SW¼NE¼, SE¼NW¼, N½SE¼

containing 160.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above, and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 1st day of August, 19 95, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Key Bank, at Big Piney, Wyoming 83113 (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of one hundred, sixty & no/100's DOLLARS ($ 160.00), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

10. ~~Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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, it being understood that separately formed units may be combined 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. See Addendum to Oil & Gas Lease, attached hereto and by this reference made a part hereof.

WHEREOF witness our hands as of the day and year first above written.

Ruth F. Budd

Ruth F. Budd, a widow, individually

Ruth F. Budd

Ruth F. Budd, as Trustee of the Helen D. Tanner, Joseph L. Budd & Ruth F. Budd Mineral Trust dated 5/23/73 & amended 12/10/80

Tax I.D. No.

STATE OF Wyoming }
COUNTY OF Sublette } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 5th day of August, 19 94, before me personally appeared Ruth F. Budd to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same as a free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 5th day of August, 19 94

My commission expires: 10/12/97

Barbara Henry

Notary Public for the State of Wyoming

residing at Big Piney

STATE OF _____ }
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 ____, before me personally appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 ____

My commission expires:

Notary Public for the State of _____

residing at _____

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 1st day of August, 1994, by and between Ruth F. Budd, a widow, individually and as Trustee of the Helen D. Tanner, Joseph L. Budd & Ruth F. Budd Trust dated 5/23/73 and amended 12/10/80, Lessor, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall by this reference be amended to read Fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

4. Lessee shall pay Surface Owners for reasonable damages to all property, real, personal or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. All of Lessee's slush pits shall be filled and leveled within a reasonable length of time after cessation of operations and the Lessee shall proceed with reasonable diligence to restore the surface of said lands to as near to its original condition, found prior to Lessee's operation, as is practicable.

5. Prior to the construction of any roads, bridges, culverts or other access routes over the leased premises for oil and gas operations, Lessee and Surface Owners will mutually agree, such agreement not being unreasonably withheld, as to the direction and placement of same. Lessee shall also consult with the Surface Owners as to the location of any drill sites, pipelines, tank battery installations, or installation of other equipment on the leased premises before installing same.

6. During the Lease period, Lessee shall not be allowed to conduct seismic operation on hay meadows during times when same are under irrigation or are being harvested (said Period of exclusion is expected to be approximately from May 1 through August 31). If Lessee employs methods of geophysical exploration whereby drill holes and explosive charges are used, then and only in such case, Lessee shall pay Surface Owners One Hundred Fifty ($150.00) for each drill hole that Lessee drills upon the Lease Lands and shall post a Ten Thousand Dollar ($10,000.00) bond, at a local bank, for the purpose of guaranteeing proper plugging and reclamation of such drill holes.

7. Surface Owners shall have approval, in advance, over placement of drillsite locations on the Lease Lands included on this Oil and Gas Lease.

Signed for Identification:

Ruth F. Budd

Ruth F. Budd, individually and as Trustee
for the Helen D. Tanner, Joseph L. Budd
& Ruth F. Budd Trust D. 5/23/73
Amd. 12/10/80

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

248115

RECORDED Sept. 2, 1994 9:00 AM
IN BOOK 98 PAGE 416
FEES 10.00 _____ COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

THIS AGREEMENT, made and entered into this 30th day of June, 1994, by and between William Robert Tanner, also known as Robert Tanner, and Helen R. Tanner, husband & wife, individually and as heirs to Helen D. Tanner and John C. Budd, both deceased persons of 203 Winkelman Avenue, Marbleton, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

Township 31 North, Range 113 West, 6th P.M.
Section 23: N½, S½SW¼, SE¼
Section 27: NE¼NE¼
containing 600.00 acres, more or less.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five(5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

WRT WRT

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 30th day of June, 1995, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Key Bank Bank, at Big Piney, Wy. 83113 (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of six hundred and no/100's DOLLARS ($ 600.00), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

~~10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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~~

WRT WRT

~~ordinarily similar to this one with respect to such other land, lease or lease; however, 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.~~ WRT HRT

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby warrants and agrees to defend the title to the lands described above, and agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

20. See Addendum to Oil & Gas Lease attached hereto and by this reference made a part hereof. WRT HRT

WHEREOF witness our hands as of the day and year first above written.

William Robert Tanner,
also known as Robert Tanner

Helen R. Tanner

520-42-9409
Social Security No.

STATE OF Wyoming
COUNTY OF Lincoln } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 28th day of July, 1994, before me personally appeared William Robert Tanner and Helen R. Tanner to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that They executed the same as their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 29th day of July, 1994.

My commission exprires: 12/24/97

Notary Public for the State of Wyoming
residing at 3rd Kemmerer Washington

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 ____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 ____.

My commission expires:

Notary Public for the State of _____
residing at _____

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated the 30th day of June, 1994, by and between William Robert Tanner, also known as Robert Tanner, and Helen R. Tanner, Husband and Wife, Individually and as heirs to John C. Budd and Helen D. Tanner, both deceased persons, Lessors, and Contex Energy Company, Lessee.

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall by this reference be amended to read Fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any other part thereof, shall be, for the purpose of computing the royalties to be paid to lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only as so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty days (120) days prior to the expiration of the three year period after expiration of the primary term, lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

Signed for Identification:

William Robert Tanner,
aka Robert Tanner

Helen R. Tanner

419

PRODUCERS 88–PAID UP
11-57 POOLING

NATRONA PRINTING CO.

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of August, 19 94, by and between Judith A. Saathoff, a married woman dealingin her sole and separate property whose post office address is P.O. Box 1355, Evansville, Wyoming 82636, hereinafter called Lessor (whether one or more) and Kenneth K. Farmer whose post office address is P.O. Box 2895, Casper, WY 82602, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of $10.00 (Ten and 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 Sublette, State of Wyoming, described as follows, to-wit:

Township 37 North, Range 110 West 6th P.M.
Section 26: SW¼NE¼, S½NW¼, SW¼, NW¼SE¼

248118

RECORDED Sept 2 1994 9:30a M
IN BOOK 98 Mis PAGE 419
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sorton

and containing 320.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ~~ten years~~ 3 years from this date 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 pipe line to which Lessee may connect wells on said land, the equal one sixth(1/6) part of all oil produced and saved from the leased premises.

(1/6) 2nd. To pay Lessor ~~one-eighth~~ of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (⅛), payable monthly at the prevailing market rate for gas.

(1/6) 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~~ of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar ($1.00) per year per acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of Paragraph numbered 1 above.

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 said 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 wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lines 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 growing crops 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 unitize 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. The entire acreage so pooled and production, drilling or reworking operations anywhere on such acreage shall be treated for all purposes except the payment of royalties as if it were included in and were production, drilling or reworking operations 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 number 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.

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.

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.

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

Judith A. Saathoff

Judith A. Saathoff

STATE OF Wyoming }
COUNTY OF Natrona } ss.

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

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 25th day of August, 19 94, personally appeared Judith Swathoff

and

_____, to me known to be the identical person..... described in and who executed the within and foregoing instrument of writing and acknowledged to me that ..... free and voluntary act and deed for the uses and purposes therein set forth.

TERESA RIDGEWAY, NOTARY PUBLIC
County of Natrona
State of Wyoming
My Commission Expires Aug. 10, 1996

IN WITNESS WHEREOF, I have hereunto set my hand and affixed ~~my notarial s~~ ...ten.

My Commission Expires Aug 10, 1996

Teresa Ridgeway
Notary Public.

State of _____ }
County of _____ } ss.

by The foregoing instrument was acknowledged before me this _____ day of _____ 19 ___

Witness my hand and official seal.

My Commission Expires: Notary Public

State of ..... }
County of ..... } ss.

ACKNOWLEDGMENT (For use by Corporation)

On this.....day of....., A. D. 19....., before me personally appeared..... to me personally known, who, being by me duly sworn, did say that he is the.....of.....

.....and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said .....acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this.....day of....., A. D. 19.....

(SEAL)

Notary Public.

My Commission expires.....

No.....
FROM
TO
.....
.....
.....
....., 19....
ated.....
o. Acres.....
.....County,.....
'erm.....
This instrument was filed for record on the.....
lay of.....19....., at
.....o'clock.....M., and duly recorded in
/olume..... Page.....
.....of the records of this office.
.....County Clerk
.....Deputy.
When recorded return to

420

421

WY18 010-00204 00

Form 3000-3
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995

ASSIGNMENT OF RECORD TITLE INTEREST IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.
W-102732

Lease Effective Date
(Anniversary Date)
December 1, 1986

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* McMurry Oil Company
   Street Post Office Box 220
   City, State, ZIP Code Casper, WY 82602

*If more than one assignee, check here ☐ and list the name(s) and address(es) of all additional assignees on the reverse of this form or on a separate attached sheet of paper.

This record title assignment is for: *(Check one)* ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: *(Check one or both, as appropriate)* ☒ Record Title, ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
T-27-N, R-108-W, 6th P.M. Wyoming, Sublette County Sec. 17: SE¼; Sec. 23: SW¼; Sec. 28: SE¼; Sec. 35: SE¼. Total Area: 640.00 Acres	100%	100%	-0-	3.0%	2.0%

248123

RECORDED Sept. 2, 1994 11:00 AM
IN BOOK 98056 PAGE 421
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

3. REASSIGNMENT — of Lease:

Assignee may at any time and from time to time at a date of forty-five (45) days or more prior to the next anniversary date the annual rental will be due and payable to the U.S. Government surrender, relinquish or reassign all or any part of the lands described herein; provided, however, that Assignee will give prior written notice to Assignors of such intention with an offer to reassign to Assignors and specifying in such notice, if by Partial Reassignment, the legal description of the land in which it proposes to terminate its interest. If Assignors do not accept said offer of reassignment by written notice to Assignee within thirty (30) days from and after the date of receipt of said offer, said offer will be deemed rejected and Assignee shall be free to and may relinquish or surrender the land contained therein to the U.S. Government. If such offer of reassignment is accepted by Assignors within said 30-day period, Assignee will forthwith execute, acknowledge and deliver to Assignors a good and sufficient instrument of reassignment pursuant to said notice and Assignee will be relieved of all obligations or liabilities occurring thereafter as to the land contained therein.

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

ON THIS 4th DAY OF AUGUST, 1994, PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC, PETER W. HUMMEL, GENERAL PARTNER FOR DIAMOND PEAK ENERGY CO., L.P., WHO ACKNOWLEDGED THAT HE EXECUTED THE ABOVE INSTRUMENT.

MELISSA M. AYRAULT
Notary Public-Nevada
WASHOE COUNTY
My Commission Expires
July 16, 1995

Melissa M. Ayrault
NOTARY PUBLIC

[redacted] [redacted] [redacted]

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional assignees in Item No. 1, if needed, or for Land Description in Item No. 2, if needed.

STATE OF WYOMING
COUNTY OF NATRONA

On this 30th day of AUGUST 1994, before me personally appeared John W. Martin, to me personally known, who, being by me duly sworn, did say that he is the President of McMurry Oil Company and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said John W. Martin acknowledged said instrument to be free act and deed of said corporation.

Witness my hand and seal this 30th day of AUGUST 1994.

JAMES W. CURRY - Notary Public
(SEAL) County of Natrona State of Wyoming
My Commission Expires Jan. 23, 1995

James W. Curry
Notary Public

My commission expires January 23, 1995

...Leasing Act.

3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal assignments, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 4th day of August, 19 94

Name of Assignor as shown on current lease DIAMOND PEAK ENERGY COMPANY, L.P.
Please type or print

Assignor _____
(Signature)
or
Attorney-in-fact Peter W. Hummel, General Partner
(Signature)

Post Office Box 10350
(Assignor's Address)
Reno, NV 89510
(City) (State) (Zip Code)

Executed this 30th day of AUGUST, 1994

Assignee _____
(Signature)
or
Attorney-in-fact McMurry Oil Co.
(Signature)

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

423

Form 3000-3
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995

ASSIGNMENT OF RECORD TITLE INTEREST IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No. W-102717

Lease Effective Date (Anniversary Date) December 1, 1986

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* McMurry Oil Company
   Street Post Office Box 220
   City, State, ZIP Code Casper, WY 82602

*If more than one assignee, check here ☐ and list the name(s) and address(es) of all additional assignees on the reverse of this form or on a separate attached sheet of paper.

This record title assignment is for: *(Check one)* ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: *(Check one or both, as appropriate)* ☒ Record Title, ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
T-29-N, R-107-W, 6th P.M. Wyoming, Sublette County 248124 Sec. 30: Lots 1,2,3,4, E½, E½W½; Sec. 31: Lots 1,2,3,4, E½, E½W½. Total Area: 1,284.80 Acres	100%	100%	-0-	3.0%	2.0%

RECORDED Sept. 2 1994 11:00 AM
IN BOOK 98 Misc 6 PAGE 423
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

6. REASSIGNMENT — of Lease:

Assignee may at any time and from time to time at a date of forty-five (45) days or more prior to the next anniversary date the annual rental will be due and payable to the U.S. Government surrender, relinquish or reassign all or any part of the lands described herein; provided, however, that Assignee will give prior written notice to Assignors of such intention with an offer to reassign to Assignors and specifying in such notice, if by Partial Reassignment, the legal description of the land in which it proposes to terminate its interest. If Assignors do not accept said offer of reassignment by written notice to Assignee within thirty (30) days from and after the date of receipt of said offer, said offer will be deemed rejected and Assignee shall be free to and may relinquish or surrender the land contained therein to the U.S. Government. If such offer of reassignment is accepted by Assignors within said 30-day period, Assignee will forthwith execute, acknowledge and deliver to Assignors a good and sufficient instrument of reassignment pursuant to said notice and Assignee will be relieved of all obligations or liabilities occurring thereafter as to the land contained therein.

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

ON THIS 4th DAY OF AUGUST, 1994, PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC, PETER W. HUMMEL, GENERAL PARTNER FOR DIAMOND PEAK ENERGY CO., L.P., WHO ACKNOWLEDGED THAT HE EXECUTED THE ABOVE INSTRUMENT.

MELISSA M. AYRAULT
Notary Public-Nevada
WASHOE COUNTY
My Commission Expires
July 16, 1995

Melissa M. Ayrault
NOTARY PUBLIC

[redacted] [redacted] [redacted]

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional assignees in Item No. 1, if needed, or for Land Description in Item No. 2, if needed.

STATE OF WYOMING
COUNTY OF NATRONA

On this 30th day of August 1994, before me personally appeared John W. Martin, to me personally known, who, being by me duly sworn, did say that he is the President of McMurry Oil Company and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said John W. Martin acknowledged said instrument to be free act and deed of said corporation.

Witness my hand and seal this 30th day of August 1994.

JAMES W. CURRY, Notary Public
(SEAL) County of Natrona State of Wyoming
My Commission Expires Jan. 23, 1995

James W. Curry
Notary Public

My Commission expires January 23, 1995

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 4th day of August, 19 94

Name of Assignor as shown on current lease DIAMOND PEAK ENERGY COMPANY, L.P.
Please type or print

Assignor
XX
or
XXXXXXXX Peter W. Hummel, General Partner
Attorney-in-fact
(Signature)

Post Office Box 10350
(Assignor's Address)

Reno, NV 89510
(City) (State) (Zip Code)

Executed this 30th day of August, 19 94

Assignee John W. Martin, President
or
Attorney-in-fact McMurry Oil Company
(Signature)

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

425

Form 3000-3a
(November 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1992

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Lease Serial No.

W-64986

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)* HERBALY PETROLEUM CORP
   Street 1515 Arapahoe St., #1350
   City, State, ZIP Code Denver, CO 80202

*If more than one transferee, check here ☐ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: *(Check one)* ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: *(Check one or both, as appropriate)* ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Township 27North, Range 112 West, 6th P.M. Section 14: NE/4 Containing 160 acres, more or less, in Sublette County, Wyoming, but limited in depth from the surface of the earth down to the stratigraphic equivalent of the total depth drilled in the Federal #20-14 well located in the NE/4 of Sec. 14, T27N-R112W, 6th P.M. THIS TRANSFER IS EFFECTIVE BETWEEN TRANSFEROR AND TRANSFEREE AS OF JULY 1, 1994	4.32%	4.32%	-0-	-0-	12.689%

248126

RECORDED Sept. 2 1994 11:30AM
IN BOOK 98 Of M PAGE 425
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____ _____ _____
(Authorized Officer) (Title) (Date)

Pg 425
copy after
Pg 426

STAT[redacted] COLORADO)
) SS.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 26th day of August, 1994 by Elmer L. Herbaly.

Witness my hand and official seal.

Lillian R Pacheco
Notary Public
1515 Arapahoe St. #1350
Denver, Colorado 80202

My commission expires October 30, 1995.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.

2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.

3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (¼) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 26th day of August, 19 94

Name of Transferor ELMER L HERBALY
Please type or print

Transferor Elmer L Herbaly
or (Signature)
Attorney-in-fact _____
(Signature)

1515 Arapahoe St., #1350
(Transferor's Address)

Denver, CO 80202
(City) (State) (Zip Code)

Executed this 26th day of August, 19 94

HERBALY PETROLEUM CORP

Transferee David L. Herbaly
or (Signature) Vice President
Attorney-in-fact _____
(Signature)

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*U.S. GPO: 1990-573-016/26030

AFFIDAVIT OF PRODUCTION

STATE OF WYOMING)
) §
COUNTY OF SUBLETTE)

K. V. THOLSTROM, of lawful age, being first duly sworn, upon oath deposes and says:

THAT, Presidio Exploration, Inc., 5613 DTC Parkway, Suite 750, P. O. Box 6525, Englewood, Colorado 80155-6525, is the Operator of a producing oil and gas well pertaining to the following described oil and gas lease, covering the following described lands in Sublette County, Wyoming, to-wit:

Serial No.: USA W-64986

Date of Lease: October 1, 1978

Lessor: United States of America

Lessee: Belco Petroleum Corporation

Lands Covered: Township 27 North, Range 112 West, 6th P.M.
Section 11: S/2
Section 14: N/2
Sublette County, Wyoming
containing 640.0 acres, more or less

that a well, the ***Federal #20-14***, located in the NE/4 of Section 14, Township 27 North, Range 112 West, 6th P.M., was spudded on September 25, 1983, and thereafter diligently drilled to completion on December 27, 1983, with production of oil and gas from the Bear River formation; that two other wells operated by Enron Oil & Gas Company are located on the subject lease; and that minimum royalty payments are continuously being monitored and paid in accordance with the terms and conditions of the lease, if necessary, thereby extending the above-described oil and gas lease beyond its primary term pursuant to the provisions of said lease.

FURTHER Affiant saith not.

248125

RECORDED Sept. 2 1994 11:30 AM
IN BOOK 98046 PAGE 495
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

K. V. THOLSTROM, Vice President

Acknowledgment

STATE OF COLORADO)
) §
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 23rd *day of* August, 19 94
by **K. V. THOLSTROM** *as Vice President of* ***PRESIDIO EXPLORATION, INC.****, a Colorado corporation, on behalf of said corporation.*

WITNESS my hand and official seal.

My Commission expires: 11/24/1998

Notary Public

njk\fed2014b.aop

[redacted]3134 FEES 7.[redacted] SUBLETTE CO[redacted] COUNTY CLERK
[redacted] CLERK
By Cathy Sayer

THIS AGRE[redacted] and entered into this 2nd day of September 19 95, by and between
Robert M. Miller, Jr., Personal Representative of the Estate of
Mildred M. Miller, deceased
of 279 Miller Lane, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and
Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

See EXHIBIT "A" and "ADDENDUM TO OIL AND GAS LEASE",
both attached hereto and by this reference made a part hereof.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five(5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 2nd day of September, 1995, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Key Bank, at Big Piney, Wyoming (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of three thousand, one hundred, sixteen & 96/100 DOLLARS ($ 3,116.96), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

~~10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize 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~~

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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.~~ RMM

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

RMM

17. Lessor ~~hereby warrants and agrees to defend the title to the lands described above, and~~ agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

Robert M. Miller, Jr. Personal Representative

Robert M. Miller, Jr., Personal Representative of the Estate of Mildred M. Miller, deceased

83-6040347

Tax I.D. No.

INDIVIDUAL, Wyoming, Montana, Colorado

STATE OF Wyoming }
COUNTY OF Sublette } ss.

On this 2 day of September, 1994, before me personally appeared Robert M. Miller Jr. as personal representative to me known to be the person described in, and who executed the foregoing instrument, and who acknowledged to me that he executed the same as his free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 2 day of September, 1994.

My commission exprires: Nov. 4, 1996

LELA L. SANDERS
NOTARY PUBLIC
Sublette County, WY
My Commission expires
11-4-96

Lela L Sanders
Notary Public for the State of Wyoming
residing at Big Piney, Wy.

CORPORATE, Wyoming, Montana, Colorado

STATE OF _____ }
COUNTY OF _____ } ss.

On this _____ day of _____, 19 _____, before me personally appeared _____,

to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 _____.

My commission expires:

_____

Notary Public for the State of _____,
residing at _____

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 2, 1994 by and between Robert M. Miller, Jr., Personal Representative of the Estate of Mildred M. Miller, deceased, Lessor, and Contex Energy Company, Lessee, to-wit:

DESCRIPTION OF LANDS:

Township 29 North, Range 111 West, 6th P.M.
Section 6: Lot 6, Lot 7, E½SW¼, SE¼
Section 7: Lot 1, Lot 2, Lot 3, Lot 4, E½W½, NE¼

Township 29 North, Range 112 West, 6th P.M.
Section 1: Lot 2, Lot 3, Lot 4, SW¼NE¼, S½NW¼, S½
Section 2: Lot 1, SE¼NE¼, E½SE¼
Section 3: Lot 3, Lot 4, S½NW¼
Section 4: Lot 1, Lot 2, Lot 3, Lot 4, S½N½
Section 5: Lot 1, SE¼NE¼
Section 9: 6.159 acres in SE¼SE¼ described in Book 12 of Deeds, page 172, in the office of the Sublette County Clerk, Wyoming
Section 12: E½NE¼

Township 30 North, Range 112 West, 6th P.M.
Section 32: SE¼SE¼
Section 33: S½
Section 34: SW¼ and 0.931 acres in SE¼NE¼ described in Bk. 12 Deeds, pg. 425, Sublette County Clerk records, Wyoming
Section 35: NW¼NE¼, E½SE¼, N½NW¼ and all that part of S½NW¼ and SW¼NE¼ lying Northerly of the centerline of the Big Piney-West Road, a secondary road of the Wyoming Highway Department No. S-98 of the record in the Office of the Clerk of Sublette County, Wyoming, containing 33 acres, more or less
Section 36: SW¼, SW¼SE¼ and NW¼SE¼ less and except 2.466 acres described in Bk. 10 Deeds, pg. 201, Sublette County Clerk records, Wyoming;

containing 3,116.954 acres, more or less.

Signed for Identification:

Robert M. Miller, Jr., Personal Representative
of the Estate of Mildred M. Miller, deceased

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated September 2, 1994 by and between Robert M. Miller, Jr., Personal Representative of the Estate of Mildred M. Miller, deceased, Lessor, and Contex Energy Company, Lessee, to-wit:

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall, by this reference, be amended to read fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any part thereof, shall be, for the purpose of computing royalties to be paid to Lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty (120) days prior to the expiration of the three-year period after expiration of the primary term, Lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

4. Lessee is hereby granted the right and power at any time and from time to time to pool only parts of said lease with land or leases adjacent and only the prescribed or required acreage necessary to abide by the State law, order, rule or regulation set aside in the Spacing Order.

5. Once initial production from this lease begins, if the sum of the royalty paid Lessors from the date of first

pr[redacted]n to the one (1) year [redacted]versary date or any su[redacted] quent one (1) year period is less than the annual rental payment provided in this lease, then Lessee agrees to pay Lessor the difference between the royalty paid to Lessor for the previous one (1) year period and the annual rental amount provided by this lease. If payment is not tendered by Lessee to Lessor within ninety (90) days from the anniversary date that a deficiency in royalty occurs as described above, this lease shall terminate as to all parties.

6. Lessee shall notify Lessor in advance of staking and building a location.

7. Location site for any well or wells on leased premises shall not exceed three acres unless agreed upon before construction of location.

8. At the time of staking any location, Lessee shall pay to surface owner(s) an amount to be mutually agreed by Lessee and surface owner(s), such agreement not being unreasonably withheld, for roadway right-of-way and location site. Lessee shall pay the surface owner(s) for reasonable damages to all property, real, personal or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property.

9. During the term of the lease, Lessee shall not be allowed to conduct drilling or seismic operations on irrigated meadow lands during times when same are under irrigation or are being harvested (said period of inclusion is expected to be approximately from March 1 through October 15).

10. If any irrigation ditches or canals are disturbed during construction, drilling or completion, all ditches and canals will be reconstructed immediately so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

11. Upon completion of drilling any and all wells, drilling mud shall be removed, slush pits shall be filled and leveled within a reasonable length of time after cessation of operations, and the Lessee shall proceed with reasonable diligence to restore the surface of all location sites and access roads to as near to their original condition, found prior to Lessee's operation, as is practicable, and such lands shall be re-seeded.

12. Drilling sites will be fenced to prevent livestock from impeding operations.

13. Lessee shall be responsible for, and defend, indemnify and hold Lessor, and any heirs, successors and assigns of Lessor, harmless from any and all liability or injuries to any property or persons arising out of, caused by, or related to any oil and gas operations.

Signed for Identification:

Robert M. Miller, Jr., Personal Representative
of the Estate of Mildred M. Miller, deceased

Producers 88
Rocky Mountain 1989

OIL AND GAS LEASE

RECORDED Sept. 2 1994 4:45 PM
IN BOOK 98 PAGE 432
FEES 14.00
SUBLETTE COUNTY CLERK
By Kelly Sexton

248135

THIS AGREEMENT, made and entered into this 21st day of July, 1994, by and between Robert M. Miller, Jr. and Tara Miller, husband and wife

of 279 Miller Lane, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and Contex Energy Company, 1645 Court Place, Suite 212, Denver, CO 80202, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of ten and more ********** dollars ($ 10.00+ *****) in hand paid, receipt of which is hereby acknowledged, and of the agreements of lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto lessee the lands described below for the purpose of investigating, prospecting, exploring (by geophysical and other methods), drilling, mining, operating for and producing oil or gas, or both (as defined below), together with the right to construct and maintain pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas (which right shall include specifically a right-of-way and easement for ingress to and egress from said lands by lessee, or its assignees, agents or permittees, necessary to or associated with the construction and maintenance of such pipelines, telephone and electric lines, tanks, ponds, roadways, plants, equipment, and structures on said lands to produce, save and take care of the oil and gas), and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of SUBLETTE, State of WYOMING, described as follows, to-wit:

See EXHIBIT "A" and "ADDENDUM TO OIL AND GAS LEASE", both attached hereto and by this reference made a part hereof.

In addition to the land described above, lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by lessor by one of the following reasons: (1) all lands and rights acquired or retained by lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to lessor in any lake, stream or river traversing or adjoining the lands described above by virtue of lessor's ownership of the land described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to lessor by virtue of lessor's ownership of the land described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by lessor through adverse possession or other similar statutes of the state in which the lands are located.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substances which occur naturally in the earth, including drip gasoline or other natural condensate recovered from gas without resort to manufacturing process. The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at ordinary temperature and pressure conditions, including but not limited to helium, nitrogen, carbon dioxide, hydrogen sulphide, coal bed methane gas, casinghead gas and sulphur.

Subject to the other provisions herein contained, this lease shall remain in force for a term of ~~ten (10)~~ five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to establish, resume or re-establish production of oil and gas; drilling operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days shall elapse between the completion and abandonment of one well or hole and the commencement of drilling operations on another well or hole; the lessee shall be "engaged in drilling operations" or shall have commenced drilling operations for a new well at such time as lessee has begun the construction of the wellsite location or the road which provides access to the wellsite location; and lessee shall be "engaged in drilling operations" or shall have commenced drilling operations with respect to reworking, deepening, plugging back or other operations conducted in an effort to resume or re-establish production of oil and gas at such time as lessee has the requisite equipment for such operations at the wellsite.

2. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth (⅛) part of all oil produced and saved from the leased premises, or lessee may from time to time at its option purchase any royalty oil in its possession, paying the market price thereof prevailing for oil of like grade and gravity in the field where produced on the date of purchase.

The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one-eighth (⅛) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (⅛) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

3. If lessee has not commenced drilling operations on or before the 21st day of July, 19 95, this lease shall (except as otherwise provided in this paragraph) terminate, unless lessee (or someone on his behalf), on or before such date, shall pay or tender to lessor, or to lessor's credit in the Key Bank, at Big Piney, Wyoming (or its successor or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise) which shall continue as the depository regardless of changes in the ownership of said land or the oil and gas, the sum of four thousand, six hundred, five & 56/100's DOLLARS ($ 4605.56), which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for like periods of the same number of months successively during the primary term hereof. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the rental date, and the depositing of such cash, check or draft in the United States mail, addressed to the depository bank or to lessor (at lessor's last known address as shown by lessee's records) on or before the rental date, shall be deemed payment or tender as herein provided. Notwithstanding the death of lessor, payment or tender of rentals to lessor or to lessor's credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of lessor and on lessor's successors in interest. If lessee shall, on or before any rental date, make a bona fide attempt to pay or deposit rental to a lessor entitled thereto under this lease according to lessee's records or to a lessor who, prior to such attempted payment or deposit, has given lessee notice, in accordance with the terms of this lease hereinafter set forth, of his right to receive rental, and if such payment or deposit shall be erroneous in any regard (whether deposited in the wrong depository, paid to persons other than the parties entitled thereto as shown by lessee's records, in an incorrect amount, or otherwise), this lease shall nevertheless be maintained in the same manner as if such erroneous rental payment or deposit had been properly made, provided that the erroneous rental payment or deposit is corrected within thirty (30) days after receipt by lessee of written notice from such lessor of the error accompanied by any documents and other evidence necessary to enable lessee to make proper payment. The consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

4. During the primary term of this lease, if any well drilled on the land described above is abandoned as a dry hole or ceases to produce and there is no other producing well on the land and the lessee is not engaged in drilling operations thereon, and if the lessee is not engaged in drilling operations before the next ensuing rental-paying date after the expiration of one hundred twenty (120) days from the date of abandonment of such dry hole or cessation of production, this lease shall terminate as to both parties, unless the lessee, on or before the rental-paying date next ensuing after the expiration of one hundred twenty (120) days from the date of abandonment of the dry hole or cessation of production, shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. Upon resumption of the payment of rentals as provided in paragraph three governing the payment of rentals and the effect thereof, this lease shall continue in force as though there had been no interruption in the rental payment. If a dry hole should be drilled or if production ceases at any time subsequent to one hundred twenty (120) days prior to the beginning of the last year of the primary term, no rental payment or operations are necessary in order to keep the lease in force during the remainder of the primary term.

5. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the leased premises but lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced from the leased premises. If, after the expiration of the primary term of this lease, production on the leased premises should cease for any cause, this lease shall not terminate if lessee is then engaged in drilling operations, or within one hundred twenty (120) days after each such cessation of production commences or resumes drilling operations, and this lease shall remain in force so long as drilling operations are continously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the leased premises.

6. If at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on lands covered by this lease, or on other lands with which lands covered by this lease are pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate (unless released by lessee) and it shall nevertheless be considered that oil or gas is being produced from lands covered by this lease during all times while the well is so shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in lessee's judgment exercised in good faith, are unsatisfactory. When the lease is continued in force in this manner, lessee shall pay or tender to the lessor or lessor's successors or assigns, in the depository bank named in the lease, a sum equal to the amount of delay rentals payable under the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occuring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or the lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, lessee shall make payment of shut-in royalty in the same amount and manner. The term "shut-in royalty payment date" shall mean the rental paying date of this lease if within the primary term or any subsequent anniversary thereof after the primary term. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render lessee liable for the amount due but it shall not operate to terminate the lease.

7. If lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. However, such rentals shall be increased at the next succeeding rental anniversary after lessee has been notified of any reversion having occurred to cover the interest so acquired. Any interest in production from the lands described herein to which the interest of lessor may be subject shall be deducted from the royalty herein reserved.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells and reservoirs of lessor. 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.

9. Lessee shall pay to lessor reasonable amounts for damages caused by its operations to growing crops on said land. When requested by lessor, lessee shall bury its pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet to a house or barn now on said premises, without written consent of lessor. Lessee shall have the right at any time (but not the obligation) to remove all improvements, machinery, and fixtures placed or erected by lessee on said premises, including the right to pull and remove casings.

~~10. Lessee 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 above and as to any one or more of the formations hereunder, to pool or unitize the leasehold [redacted] and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity [redacted] oil and gas, or separately for the production of either [redacted] lessee's judgment it is necessary or advisable to do so, [redacted] ve of whether~~

authority similar [redacted] with respect to such other land, lease or leases. Like [redacted] commonly formed to include formations not productive [redacted] ay be reformed to exclude such non[redacted]ormations. The forming or reforming of any unit shall be established 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 drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason 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 under this lease. In lieu of the royalties elsewhere herein specified, 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 number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such a unit.

11. Lessee shall have the right to unitize, pool, or combine all or any part of the land described above 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 the land described above 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.

12. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by lessee, lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to lessor thereafter accruing upon any of the convenants or conditions of this lease, either express or implied. No change in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee or require separate measuring or installation of separate tanks by lessee. Notwithstanding any actual or constructive knowledge of or notice to lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on lessee (except at lessee's option in any particular case) until one hundred twenty (120) days after lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original and certified copies of all documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. If this lease is assigned or sublet insofar as it covers only a part of the acreage embraced in the leased premises, the delay rentals hereinabove provided for shall be apportioned to the separate parts, and failure of the leasehold owner or sublessee of any separate part of the above described lands to make a rental payment with respect to such part shall in no event operate to terminate or affect this lease insofar as it covers any other part thereof.

13. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil and/or gas, lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including input wells, upon the leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefiting the leased premises.

14. If lessor, during the primary term of this lease, receives a bona fide offer from a third party to purchase from lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with such lease to become effective upon expiration of this lease, which lessor is willing to accept from the offering party, lessor hereby agrees to notify lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph 14. Should lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify lessor in writing by mail, telefax, or telegram prior to expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to lessor the new lease for execution by lessor along with lessee's sight draft payable to lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft to through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and 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. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

16. All express and implied covenants of this lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

17. Lessor hereby ~~warrants and agrees to defend the title to the lands described above, and~~ agrees that the lessee, at its option, shall have the right at any time to pay for lessor, any mortgage, taxes or other liens existing, levied or assessed on or against the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease.

18. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in interest, in whole or in part, of said lessor or lessee.

19. With respect to and for the purpose of this lease, lessor, and each of them if there be more than one, hereby release and waive the right of homestead.

WHEREOF witness our hands as of the day and year first above written.

Robert M. Miller, Jr.

Robert M. Miller, Jr.

Tara Miller

520-54-9601
Social Security No.

520-68-4671
Social Security No.

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL, Wyoming, Montana, Colorado

On this 2 day of September, 1994, before me personally appeared Tara Miller,
Robert M Miller, Jr.,
to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that ~~she~~ they executed the same as ~~his~~ their free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 2 day of September, 1994.

My commission exprires:
Nov. 4, 1996

LELA L. SANDERS
NOTARY PUBLIC
Sublette County, WY
My Commission expires
11-4-96

Lela L Sanders
Notary Public for the State of Wyoming
residing at Big Piney, Wyo.

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE, Wyoming, Montana, Colorado

On this _____ day of _____, 19 ____, before me personally appeared _____,
to me personally known, who, being by me duly sworn, did say that he is the _____ President (or Secretary) of _____
and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19 ____.

My commission expires:

_____

Notary Public for the State of _____,
residing at _____

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 21, 1994 by and between Robert M. Miller, Jr. and Tara Miller, husband and wife, Lessors, and Contex Energy Company, Lessee, to-wit:

DESCRIPTION OF LANDS:

Township 29 North, Range 112 West, 6th P.M.
Section 2: Lots 2, 3, & 4, SW¼NE¼, S½NW¼, W½SE¼, SW¼
Section 3: Lots 1 & 2, S½NE¼, S½
Section 4: Lots 2, 3, & 4, SW¼NE¼, S½NW¼, S½
Section 5: Lot 1, SE¼NE¼, E½SE¼, SW¼SE¼
Section 7: S½NE¼, SE¼SW¼, SE¼
Section 8: W½NW¼, SW¼, E½
Section 9: N½, W½SW¼, NE¼SW¼, N½SE¼ and SE¼SE¼ less and except 6.159 acres described in Book 12 of Deeds, page 172, in the office of the Sublette County Clerk, Wyoming
Section 10: N½NE¼, N½SW¼, NW¼
Section 11: NW¼NE¼, N½NW¼
Section 17: NW¼NW¼
Section 18: N½NE¼, SW¼NE¼

Township 30 North, Range 112 West, 6th P.M.
Section 32: SE¼SE¼
Section 33: S½
Section 34: SE¼, SW¼NE¼ and SE¼NE¼ less and except 0.931 acres described in Bk. 12 Deeds, pg. 425, Sublette County Clerk records, Wyoming
Section 35: SW¼, W½SE¼ and all that part of S½NW¼ and SW¼NE¼ lying Southerly of the centerline of the Big Piney-West Road, a secondary road of the Wyoming Highway Department No. S-98 of the record in the office of the Clerk of Sublette County, Wyoming, containing 87 acres, more or less;

containing 4,605.56 acres, more or less.

Signed for Identification:

Robert M. Miller, Jr.

Tara Miller

[redacted] [redacted] [redacted]

ADDENDUM TO OIL AND GAS LEASE

Attached to and made a part of that certain Oil and Gas Lease dated July 21, 1994 by and between Robert M. Miller, Jr. and Tara Miller, husband and wife, Lessors, and Contex Energy Company, Lessee, to-wit:

1. Wherever the term one-eighth (1/8th) appears in the subject Oil and Gas Lease, it shall, by this reference, be amended to read fifteen percent (15%).

2. Lessee shall have the right to unitize, pool or combine all or any part of land subject to this lease as to one or more of the formations thereunder with other lands in the same general area by entering into an agreement for the waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressurizing or pressure-maintenance operations, or recycling or recycling operations. The terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such agreement, and particularly all drilling and development requirements of such agreement, and this lease shall not terminate or expire during the life of such agreement. In the event the land described in this lease or any part thereof shall hereafter be operated under any such agreement, and the agreement provides for allocation of unitized production to different portions of the land covered by the agreement in accordance with a procedure set forth in the agreement, then the production allocated under the agreement to the lands covered by this lease, or any part thereof, shall be, for the purpose of computing royalties to be paid to Lessor, regarded as having been produced from the particular tract of land to which it is allocated, and the royalty payments to be made shall be based upon production only so allocated.

3. Subject to the other provisions herein contained, three years after the expiration of the primary term, this lease shall terminate as to all lands which are not located within a "drillsite spacing unit" (as hereinafter defined) in which there is located a producing well or well capable of producing on the leased premises or on lands pooled or unitized therewith. For purposes of this paragraph, a drillsite spacing unit is defined as the lands included in the drilling and production unit established for the well, or attributed to the well for spacing purposes by the governmental authority having jurisdiction. If at or within one hundred twenty (120) days prior to the expiration of the three-year period after expiration of the primary term, Lessee is engaged in drilling or reworking operations on the leased premises or on lands pooled or unitized therewith as heretofore provided, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations with no cessation of more than one hundred twenty (120) consecutive days between completion or abandonment of such drilling or reworking operations on one well and the commencement of drilling or reworking operations on the next well. Lessee shall record a release as to all lands not covered by the accepted lands herein described.

4. Lessee is hereby granted the right and power at any time and from time to time to pool only parts of said lease with land or leases adjacent and only the prescribed or required acreage necessary to abide by the State law, order, rule or regulation set aside in the Spacing Order.

5. Once initial production from this lease begins, if the sum of the royalty paid Lessors from the date of first

production to the one (1) year anniversary date or any subsequent one (1) year period is less than the annual rental payment provided in this lease, then Lessee agrees to pay Lessor the difference between the royalty paid to Lessor for the previous one (1) year period and the annual rental amount provided by this lease. If payment is not tendered by Lessee to Lessor within ninety (90) days from the anniversary date that a deficiency in royalty occurs as described above, this lease shall terminate as to all parties.

6. Lessee shall notify Lessor in advance of staking and building a location.

7. Location site for any well or wells on leased premises shall not exceed three acres unless agreed upon before construction of location.

8. At the time of staking any location, Lessee shall pay to surface owner(s) an amount to be mutually agreed by Lessee and surface owner(s), such agreement not being unreasonably withheld, for roadway right-of-way and location site. Lessee shall pay the surface owner(s) for reasonable damages to all property, real, personal or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property.

9. During the term of the lease, Lessee shall not be allowed to conduct drilling or seismic operations on irrigated meadow lands during times when same are under irrigation or are being harvested (said period of inclusion is expected to be approximately from March 1 through October 15).

10. If any irrigation ditches or canals are disturbed during construction, drilling or completion, all ditches and canals will be reconstructed immediately so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

11. Upon completion of drilling any and all wells, drilling mud shall be removed, slush pits shall be filled and leveled within a reasonable length of time after cessation of operations, and the Lessee shall proceed with reasonable diligence to restore the surface of all location sites and access roads to as near to their original condition, found prior to Lessee's operation, as is practicable, and such lands shall be re-seeded.

12. Drilling sites will be fenced to prevent livestock from impeding operations.

13. Lessee shall be responsible for, and defend, indemnify and hold Lessor, and any heirs, successors and assigns of Lessor, harmless from any and all liability or injuries to any property or persons arising out of, caused by, or related to any oil and gas operations.

Signed for Identification:

Robert L. Miller, Jr.

Tana Miller

STATE OF WYOMING

Wyoming Farm Loan Board

ASSIGNMENT OF OIL AND GAS LEASE AND SUBORDINATION AGREEMENT

(With Right To Collect Rents)

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, THE WYOMING FARM LOAN BOARD of the State of Wyoming, hereinafter called LENDER, is the owner and holder of a note and mortgage in the amount of Two Hundred Twenty-Two Thousand and No/100 ($222,000.00) DOLLARS, dated April 5, 1984, executed by Gordon W. Bray and Beth A. Bray, husband and wife, recorded in Book 41 Mtg., Page 440 of the records of Sublette County, Wyoming; and,

WHEREAS, most of the property and all of the oil, gas or mineral rights in connection therewith covered by said mortgage, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

containing 1,116.00 acres, more or less, has been leased by Gordon W. Bray and Beth A. Bray, husband and wife of Box 564, Big Piney, Wyoming, hereinafter called OWNER, whether one or more, to Donald B. Anderson Ltd., a General Partnership ~~Corporation~~, 1200 17th Street, Suite 1150, Denver, Colorado 80202, hereinafter called LESSEE, by lease dated April 16, 1994, and OWNER and LESSEE desire LENDER to subordinate its said mortgage to said lease and LENDER, as a condition to effecting such subordination, requires that OWNER, (a) Assign to LENDER said lease together with all rents (as hereinafter defined) payable under said lease, (b) Covenant and agree with LENDER as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and in further consideration of Ten Dollars, receipt of which is hereby acknowledged, the LENDER and OWNER hereby agree to the terms and conditions on the reverse of this lease assignment and subordination agreement.

IN WITNESS WHEREOF, LENDER has executed this instrument by its officers thereunto duly authorized and has affixed its official seal and OWNER has signed this instrument, all on or as of the 17th day of June, 1994.

ATTEST:

Howard L. McPhie
Farm Loan Commissioner

WYOMING FARM LOAN BOARD

By: S. Mike Quealy
President

OWNER: Gordon W. Bray
Gordon W. Bray

Beth A. Bray
Beth A. Bray

STATE OF WYOMING)
) ss.
COUNTY OF Sublette)

248139

RECEPTION NO. _____

This instrument was filed for record at 8:50 o'clock A M., on the 16th day of Sept. A. D., 19 94, and duly recorded in Book 98046 on page 437.

Photographed _____
Indexed _____
Abstracted _____
Checked _____

Mary Lou Urbanek
County Clerk or Register of Deeds

By Cathy Seaton
Deputy

$10.00

~~MAIL RECORDED, RETURN TO:~~
LOGL, LTD.
P. O. BOX 595
DENVER, COLORADO 80201-0595

437

1. OWNER assigns to LENDER said lease and all rents, which may be due or which from time to time may become due, under the terms thereof, with the right at LENDER'S option, at any time and from time to time, upon default, to demand and receive the same, and after payment of all LENDER'S reasonable expenses, including reasonable attorney's fees, incurred in acting pursuant to this agreement, to apply the balance of said rents, at LENDER'S option, either to the principal of said note and mortgage or to the payment of any payments actually received, provided, however, that no application by LENDER of any rents shall be considered performance in part or in full of any of OWNER'S obligation under said note and mortgage or any other instrument securing said note (including the obligation to pay installments of principal and interest as they fall due). This assignment is absolute and unconditional and takes effect only upon default under or with respect to said note and mortgage or any other instrument securing said note.

2. The OWNER hereby warrants to LENDER that (a) he has not executed any prior assignment of said lease or of the rents to accrue thereunder, and that he has not performed any acts or executed any other instrument which might prevent LENDER from operating under any of the terms and provisions of this assignment, or which would limit LENDER in such operation; (b) said lease is now in full force and effect according to its original terms and that there is no default now existing thereunder; and (c) he will not, without the written consent of LENDER first had and obtained, (1) reduce the rents or accept payment of any rents in advance of the due date thereof; (2) modify said lease in any way or grant any concession in connection therewith.

3. LENDER agrees with, and for the benefit of said LESSEE that the lien of said mortgage is hereby made and hereafter shall be subordinate to the rights of said LESSEE, as set out and defined in said lease, for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and other minerals and to save, care for, treat, transport and own said products for and during the term of said lease, it being expressly understood and agreed that such subordination shall in no manner affect the rights, lien or interest of the LENDER otherwise, and LENDER authorizes and directs LESSEE to pay to OWNER all rents accruing under said lease until demand in writing therefor is made of LESSEE by LENDER, provided, however, that the failure of LESSEE to pay to LENDER, upon demand as provided herein, all rents then accrued and unpaid and all rents thereafter accruing ipso facto shall forfeit and terminate this subordination and render it null and void and shall fully release LENDER from the effects of such subordination to the same extent as though no subordination had been executed by LENDER.

4. Unless sooner terminated under paragraph 3 hereof, this assignment shall remain in full force during the term of said note and mortgage and any renewal or extension thereof shall terminate and become null and void upon the release of said mortgage.

5. The term "rents" shall include rents, royalties, issues, profits, bonuses, damages and revenue of every kind, nature and description that OWNER as lessor is entitled to receive from LESSEE under said lease, including, but not limited to, any consideration or monies received by OWNER for the cancellation or surrender of any lease. The term "mortgage" shall be construed to include deed of trust.

6. This assignment and subordination and agreements herein contained shall inure to and bind the respective heirs, legatees, devisees, personal representatives, successors and assigns of OWNER, LENDER, and LESSEE.

STATE OF WYOMING)
) ss.
COUNTY OF Sublette)

The foregoing instrument was acknowledged before me BY Gordon W. Bray and Beth A. Bray, husband and wife, this 17th day of June, 1994.

Witness my hand and official seal.

LELA L. SANDERS
NOTARY PUBLIC
Sublette County, WY
My Commission expires
11-4-96

Lela L Sanders
Title of Officer Notary

My Commission Expires Nov. 4, 1996

STATE OF WYOMING)
) ss.
COUNTY OF Laramie)

The foregoing instrument was acknowledged before me BY Mike Sullivan, President of the Wyoming Farm Loan Bd this 17th day of June, 1994.

Witness my hand and official seal.

TINA L. VIGIL - NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
MY COMMISSION EXPIRES MAY 12, 1998

Tina L. Vigil
Title of Officer

My Commission Expires:

[redacted] [redacted]

EXHIBIT "A"

[redacted]

This Exhibit "A" is attached hereto and made a part hereof that certain Assignment of Oil and Gas Lease and Subordination Agreement between State of Wyoming, Wyoming Farm Loan Board, and Donald B. Anderson Ltd., 1200 17th Street, Suite 1150, Denver, Colorado 80202, covering the following lands, to-wit:

Township 30 North, Range 112 West, 6th P.M.
Section 26: SW/4NW/4, W/2SW/4
Section 27: S/2NE/4, NW/4, S/2
Section 34: N/2NE/4, NW/4 AND THAT PART OF THE S/2NE/4 of said Section 34 lying northerly of the centerline of the Big Piney- West Road, a secondary road of the Wyoming Highway Department, No. S-98, of record in the Office of the Clerk of Sublette County, Wyoming;
Section 35: N/2NW/4, NW/4NE/4 AND THAT PART OF THE S/2NW/4 and SW/4NE/4 of said Section 35 lying northerly of the centerline of the Big Piney- West Road, a secondary road of the Wyoming Highway Department, No. S-98, of record in the Office of the Clerk of Sublette County, Wyoming; EXCEPTING THEREFROM THAT PART OF THE W/2NE/4 of said Section 35 described as follows: Beginning at a point on the northerly right-of-way line of State Secondary Road No. S-98, which is North 52 degrees 56 minutes West, 2242.00 feet from the east 1/4 corner of said Section 35 where is found a quartzite stone 10"x12"x8" marked 1/4 on top S on side; thence, North 87 degrees 57 minutes East, 459.00 feet, more or less, along the said right-of-way line to a point on the east line of said W/2NE/4; thence, North 00 degrees 06 minutes East, 375.00 feet along the said east line to a point; thence, South 68 degrees 13 minutes West, 502.50 feet, more or less, to a point; thence, South 02 degrees 03 minutes East, 205.00 feet to the point of beginning.

containing 1,116.00 acres, more or less.

SIGNED FOR IDENTIFICATION:

By: Gordon W. Bray
Gordon W. Bray

By: Beth A. Bray
Beth A. Bray

440

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

UO-30

Serial No.
WYW120775

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Lynn A. Sawyer
   Street: 693 Dublin Drive
   City, State, Zip Code: Hartford, WI 53027

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9006 -447 *Sale Date (m/d/y): 06 / 05 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248213

RECORDED Sept. 7, 1994 9:35 AM
IN BOOK 98 046 PAGE 440
FEES 16.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 478.50 Total acres applied for 318.480
Total $ 553.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

CERTIFIED
to be a true and correct copy
of the official record on file
AUG 31 1994
BUREAU OF LAND MANAGEMENT

94 AUG -5 AM 9:05
BUREAU OF LAND MANAGEMENT

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

_ Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA
by Beverly J Patet
(Signing Officer)
SUPERVISORY LAND LAW EXAMINER (Title)
JUN 25 1990 (Date)
EFFECTIVE DATE OF LEASE JUL 1 1990

(Continued on reverse)

ORIGINAL

[redacted] not exceed 246,080 acres in Federal oil and gas lease [redacted] State, of which not more than 200,000 acres are [redacted] either public domain or acqui[redacted] [redacted] offer are located; in leases and 200,000 acres [redacted] either leasing District in Alaska; (4) offeror is not con[redacted] under the laws of the State in which the lands cove[redacted] (5) offeror is in compliance with reclamation requirements offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements of Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment parate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever s the land described in the withdrawal, has been signed on behalf of the United States.

is offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required ents. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements epresentations as to any matter within its jurisdiction.

executed this 6th day of June, 19 90. Lynn P. Lawicki

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. al rental rates per acre or fraction thereof are:

Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
Competitive lease, $1.50; for primary term; thereafter $2.00;
Other, see attachment, or
ecified in regulations at the time this lease is issued.

his lease or a portion thereof is committed to an approved cooperative or unit plan which des a well capable of producing leased resources, and the plan contains a provision for tion of production, royalties shall be paid on the production allocated to this lease. However, l rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands within a participating area.

lure to pay annual rental, if due, on or before the anniversary date of this lease (or next al working day if office is closed) shall automatically terminate this lease by operation of Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing ssee.

2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed cordance with regulations on production removed or sold. Royalty rates are:

Noncompetitive lease, 12½%;
Competitive lease, 12½%;
Other, see attachment; or
ecified in regulations at the time this lease is issued.

sor reserves the right to specify whether royalty is to be paid in value or in kind, and the to establish reasonable minimum values on products after giving lessee notice and an tunity to be heard. When paid in value, royalties shall be due and payable on the last day month following the month in which production occurred. When paid in kind, production e delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises produced without cost to lessor. Lessee shall not be required to hold such production rage beyond the last day of the month following the month in which production occurred, all lessee be held liable for loss or destruction of royalty oil or other products in storage causes beyond the reasonable control of lessee.

imum royalty in lieu of rental of not less than the rental which otherwise would be required t lease year shall be payable at the end of each lease year beginning on or after a discovery ing quantities. This minimum royalty may be waived, suspended, or reduced, and the royalty rates may be reduced, for all or portions of this lease if the Secretary determines ch action is necessary to encourage the greatest ultimate recovery of the leased resources, otherwise justified.

interest charge shall be assessed on late royalty payments or underpayments in accordance he Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). shall be liable for royalty payments on oil and gas lost or wasted from a lease site when oss or waste is due to negligence on the part of the operator, or due to the failure to comply ny rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Bonds—A bond shall be filed and maintained for lease operations as required under tions.

Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable ce in developing and producing, and shall prevent unnecessary damage to, loss of, or of leased resources. Lessor reserves right to specify rates of development and production public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 notice, if deemed necessary for proper development and operation of area, field, or pool cing these leased lands. Lessee shall drill and produce wells necessary to protect leased rom drainage or pay compensatory royalty for drainage in amount determined by lessor.

. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, r than 30 days after effective date thereof, any contract or evidence of other arrangement or disposal of production. At such times and in such form as lessor may prescribe, lessee rnish detailed statements showing amounts and quality of all products removed and sold, ds therefrom, and amount used for production purposes or unavoidably lost. Lessee may quired to provide plats and schematic diagrams showing development work and ements, and reports with respect to parties in interest, expenditures, and depreciation n the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information l surveys and tests, and a record of subsurface investigations and furnish copies to lessor equired. Lessee shall keep open at all reasonable times for inspection by any authorized of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, books, accounts, maps, and records relative to operations, surveys, or investigations the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting , and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium. Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property. Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity. Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573-017/86008

CERTIFIED
to be a true and [illegible] copy
of the official on file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

WYW120775 318.480 Acres
T.029ON, R.109OW, 06th PM, WY
sec. 002 LOTS 1-4;
002 S2N2;
Sublette County

CERTIFIED
to be a true and correct copy
of the official record on file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

1. SURFACE DISTURBANCE STIPULATION (used on all leases)

Surface disturbance will be prohibited in any of the following areas or conditions. Modifications to this limitation may be approved in writing by the Authorized Officer.

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated, frozen, or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

CERTIFIED
to be a true and [illegible] copy
of the official [illegible] on file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

WYW120775

3. SPECIAL RESOURCE PROTECTION STIPULATION

f. In order to protect the occupied dwellings, the District Manager reserves the right to prohibit surface disturbance within 1/4 mile of the occupied dwellings, wherever they occur. This limitation does not apply to operation and maintenance of producing wells. Modifications to this limitation may be approved in writing by the Authorized Officer.

GUIDANCE:

The SPECIAL RESOURCE PROTECTION STIPULATION is intended for use only in the few very specialized, site-specific situations where one of the other three general stipulations will not adequately address the concern. The resource value, location, and specific restriction must be clearly identified. A detailed plan addressing mitigation and special restrictions on development will be required prior to development and will become a condition for approval in the Application for Permit to Drill or Sundry Notice.

CERTIFIED
to be a true and [illegible] copy
of the official [illegible] file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

CERTIFIED
to be a true and [illegible] copy
of the official [illegible] on file
AUG 30 1994
Adelle A Kowalske
BUREAU OF LAND MANAGEMENT

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

446

06637

Serial No.

WYW120776

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Lynn A. Sawyer
   Street: 693 Dublin Drive
   City, State, Zip Code: Hartford, WI 53027

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9006-448 *Sale Date (m/d/y): 06 / 05 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248214

RECORDED Sept. 7 1994 9:50 AM
IN BOOK 180 PAGE 446
FEES 18.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 960 Total acres applied for 640.000
Total $ 1035

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

CERTIFIED
to be a true and correct copy
of the official action on file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J. Tolbert
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER
(Title)

JUN 25 1990
(Date)

EFFECTIVE DATE OF LEASE JUL 1 1990

(Continued on reverse)

ORIGINAL

ither public domain or acqu[redacted]o not exceed 246,080 acres in Federal oil and gas leas[redacted]ne State, of which not more than 200,000 acres are h[redacted], (3) offeror holds no more than 300,000 acres in leases and 200,000 acre[redacted]in either leasing District in Alaska; (4) offeror is not co[redacted]minor under the laws of the State in which the lands cov[redacted]offer are located, offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this r cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever ers the land described in the withdrawal, has been signed on behalf of the United States.

his offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required mounts. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements representations as to any matter within its jurisdiction.

y executed this 6th day of June, 19 90.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. ual rental rates per acre or fraction thereof are:

) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
) Competitive lease, $1.50; for primary term; thereafter $2.00;
) Other, see attachment, or
pecified in regulations at the time this lease is issued.

this lease or a portion thereof is committed to an approved cooperative or unit plan which ides a well capable of producing leased resources, and the plan contains a provision for ation of production, royalties shall be paid on the production allocated to this lease. However, al rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands within a participating area.

lure to pay annual rental, if due, on of before the anniversary date of this lease (or next ial working day if office is closed) shall automatically terminate this lease by operation of Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing asee.

2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed cordance with regulations on production removed or sold. Royalty rates are:

Noncompetitive lease, 12½%;
Competitive lease, 12½%;
Other, see attachment; or
ecified in regulations at the time this lease is issued.

sor reserves the right to specify whether royalty is to be paid in value or in kind, and the to establish reasonable minimum values on products after giving lessee notice and an tunity to be heard. When paid in value, royalties shall be due and payable on the last day month following the month in which production occurred. When paid in kind, production be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises e produced without cost to lessor. Lessee shall not be required to hold such production rage beyond the last day of the month following the month in which production occurred, hall lessee be held liable for loss or destruction of royalty oil or other products in storage causes beyond the reasonable control of lessee.

imum royalty in lieu of rental of not less than the rental which otherwise would be required t lease year shall be payable at the end of each lease year beginning on or after a discovery ing quantities. This minimum royalty may be waived, suspended, or reduced, and the royalty rates may be reduced, for all or portions of this lease if the Secretary determines ch action is necessary to encourage the greatest ultimate recovery of the leased resources, otherwise justified.

interest charge shall be assessed on late royalty payments or underpayments in accordance he Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). e shall be liable for royalty payments on oil and gas lost or wasted from a lease site when oss or waste is due to negligence on the part of the operator, or due to the failure to comply ny rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

. Bonds—A bond shall be filed and maintained for lease operations as required under tions.

. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable ce in developing and producing, and shall prevent unnecessary damage to, loss of, or f leased resources. Lessor reserves right to specify rates of development and production ublic interest and to require lessee to subscribe to a cooperative or unit plan, within 30 notice, if deemed necessary for proper development and operation of area, field, or pool ing these leased lands. Lessee shall drill and produce wells necessary to protect leased rom drainage or pay compensatory royalty for drainage in amount determined by lessor.

. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, r than 30 days after effective date thereof, any contract or evidence of other arrangement or disposal of production. At such times and in such form as lessor may prescribe, lessee rnish detailed statements showing amounts and quality of all products removed and sold, ds therefrom, and amount used for production purposes or unavoidably lost. Lessee may uired to provide plats and schematic diagrams showing development work and ements, and reports with respect to parties in interest, expenditures, and depreciation n the form prescribed by lessor. lessee shall keep a daily drilling record, a log, information surveys and tests, and a record of subsurface investigations and furnish copies to lessor equired. Lessee shall keep open at all reasonable times for inspection by any authorized f lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, books, accounts, maps, and records relative to operations, surveys, or investigations the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting , and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations.—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium.—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property. Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/86009

CERTIFIED
to be a true and [illegible] copy
of the official file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

WYW120776 640.000 Acres
T.029ON, R.109OW, 06th PM, WY
sec. 035 ALL;
Sublette County

CERTIFIED
to be a true and correct copy
of the official record on file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

1. SURFACE DISTURBANCE STIPULATION (used on all leases)

Surface disturbance will be prohibited in any of the following areas or conditions. Modifications to this limitation may be approved in writing by the Authorized Officer.

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated, frozen, or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

CERTIFIED
to be a true and [illegible] copy
of the official [illegible] file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

WYW120776
WYW

2. WILDLIFE STIPULATION

b. To protect important raptor and/or sage and sharp-tailed grouse nesting habitat, drilling and other surface disturbing activity will not be allowed during the period from February 1 to July 31 within certain areas encompassed by this lease. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

CERTIFIED
to be a true and [illegible] copy
of the official [illegible] file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

2. WILDLIFE STIPULATION

c. No surface occupancy will be allowed on that portion of the lease within the following defined area for the purpose of protecting wildlife habitat - sage grouse strutting ground, SWSW sec. 35. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

CERTIFIED
to be a true and correct copy
of the official file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

CERTIFIED
to be a true and [illegible] copy
of the official [illegible] file
AUG 3[illegible] 1994
BUREAU OF LAND MANAGEMENT

Form 3100-11
(October 1982)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTER[redacted]
BUREAU OF LAND MANAGEMENT

Serial No. [redacted] W-136368

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name
   Street
   City, State, Zip Code

Timberline Production Company
Box 1090
Casper, Wy 82602

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): 6/ 92/ ____

*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. 29 North R. 109 West Meridian 6th Prin. State Wy County Sublette

Section 19- L.1,3, NW¼NE¼, SE¼NE¼, SE¼NW¼, SE¼SW¼, NW¼SE¼, SE¼SE¼

5/94 JSB

Amount remitted: Filing fee $ 75.00 Rental fee $ 490.50 Total acres applied for 326.92
Total $ 565.50

DO NOT WRITE BELOW THIS LINE

Land included in lease:

T. R. Meridian State County

SAME LAND DESCRIPTION AS ITEM 2

248215

RECORDED Sept. 7, 1994 9:25a M
IN BOOK 98 0+6 PAGE 453
FEES 16.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

CERTIFIED
to be a true [illegible] copy
of the official [illegible] file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT
93 OCT 22 PM 3:04
RECEIVED
CHEYENNE WYOMING

Total acres in lease _____
Rental retained $ _____

lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to able laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal s hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

E: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nation and those specified on this form.

nd primary term of lease:

ncompetitive lease (ten years)

mpetitive lease (ten years)

er _____

THE UNITED STATES OF AMERICA
by Pamela J. Lewis
(Signing Officer)
SUPERVISORY LAND LAW EXAMINER NOV 05 1993
(Title) (Date)
EFFECTIVE DATE OF LEASE DEC 01 1993

ued on reverse)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 22nd day of October, 19 93 Timberline Production Company

By: [signature] Agent
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month follqwing the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

*U.S. GPO: 1992-774-017/67034

CERTIFIED
to be a true [illegible] copy
of the [illegible] file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

[redacted] [redacted]

CE[redacted]D

to be a true and correct copy of the official record on file

AUG 30 1994

BUREAU OF LAND MANAGEMENT

1. SURFACE DISTURBANCE STIPULATION (used on all leases)

Surface disturbance will be prohibited in any of the following areas or conditions. Modifications to this limitation may be approved in writing by the Authorized Officer.

a. Slopes in excess of 25 percent.

b. Within important scenic areas (Class I and II Visual Resource Management areas).

c. Within 500 feet of surface water and/or riparian areas.

d. Within a quarter mile or visual horizon (whichever is closer) of significant sites along historic trails.

e. Construction with frozen material or during periods when the soil material is saturated or when watershed damage is likely to occur.

GUIDANCE:

The SURFACE DISTURBANCE STIPULATION will be included on all BLM authorizations. The intent of this stipulation is to inform interested parties (potential lessees, permittees, operators) that, when one or more of the five (a through e) environmental conditions exist, surface disturbing activities will be prohibited unless or until the permittee or his designated representative and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based upon the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water). "Significant sites along historic trails," refer to those trail segments and sites which have been enrolled in or are eligible for enrollment in the National Register of Historic Places. These decisions, where possible, should be documented in the land use planning documents.

Modification or waiver of this stipulation must allow for additional requirements to be applied on a site specific basis, if necessary to mitigate the impacts of concern. Waiver of this stipulation must be based upon demonstration, through environmental analysis, plans of development, plans of operation, Application for Permit to Drill (APD) processing, etc., that the adverse affects will be mitigated or avoided.

MULTIPLE MINERAL DEVELOPMENT STIPULATION

Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

CERTIFIED
to be a true and [illegible] copy
of the official [illegible] file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

2. WILDLIFE STIPULATION

b. To protect important raptor and/or sage and sharp-tailed grouse nesting habitat, drilling and other surface disturbing activity will not be allowed during the period from February 1 to July 31 within certain areas encompassed by this lease. This limitation does not apply to maintenance and operation of producing wells. Modifications to this limitation in any year may be approved in writing by the Authorized Officer.

GUIDANCE:

The WILDLIFE STIPULATION is intended to provide two basic types of protection, seasonal restriction (a and b) and no surface occupancy (c). A legal description will ultimately be required and should be measurable and legally definable. There are no minimum subdivision requirements at this time. The area delineated can and should be refined as necessary based upon current biological data at the time the APD or Sundry Notice is processed. It should eventually become a condition for approval in these permits.

The seasonal restriction section of the stipulation identifies three groups of species and delineates two similar timeframe restrictions. These two restrictions are big game ungulate and raptors/grouse. The big game ungulates including elk, moose, deer, antelope, and big horn sheep all require protection of crucial winter range between November 15 and April 30. Sage and sharp-tailed grouse and raptors such as eagles, accipiters, falcons, buteos, osprey, burrowing owls, also require nesting protection during periods between February 1 and July 31.

The no surface occupancy section of the stipulation is intended for protection of unique wildlife and wildlife habitat values (e.g., sage grouse strutting grounds, known threatened and endangered species habitat, etc.) which cannot be protected using seasonal restrictions.

CERTIFIED
to be a true and ... copy
of the official ... file
AUG 30 1994
BUREAU OF LAND MANAGEMENT

458

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

CERTIFIED

to be a true [illegible] COPY
of the official [illegible] file

AUG 30 1994

BUREAU OF LAND MANAGEMENT

no pg 459

ASSIGNMENT OF OIL & GAS LEASE

The undersigned,

C. Dennis Irwin, Jr. and
Patricia J. Irwin, his wife
220 Cimmaron Way
Boulder, Colorado 80303
Herein "Assignor"

for and in consideration of Ten and more dollars, and other good and valuable consideration, the receipt of which is hereby acknowledged, do sell, grant, convey, assign, deliver, transfer and set over, without warranty of title, either express or implied, to the

PDI Trust dated February 23, 1994
220 Cimmaron Way
Boulder, Colorado 80303
Herein "Assignee"

all of Assignor's right, title and interest in and to the below listed oil and gas lease, together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith, located in Sublette County, State of Wyoming:

Effective Date:	May 1, 1974
Lease Serial Number:	W-44806
Lessor:	United States of America
Lessee:	C & K Petroleum, Inc.
Description:	Township 28 North, Range 114 West, 6th P.M. Section 21: SW/4NW/4

The terms and provisions hereof shall extend to and be binding upon the parties hereto, their heirs, successors and assigns.

Dated June 24, 1994 and effective July 1, 1994.

C. Dennis Irwin
C. Dennis Irwin, Jr.

248236

Patricia Irwin
Patricia J. Irwin

RECORDED Sept. 7, 1994 2:20 PM
IN BOOK 98 Orb PAGE 460
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Soxton

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

Before me, the undersigned, a Notary Public, in and for said County and State, on June 24, 1994, personally appeared C. Dennis Irwin, Jr. and Patricia J. Irwin to me known to be the identical persons 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.

Witness my hand and official seal.

My Commission Expires
October 1, 1997.

FRANCOIS J. GOYER
NOTARY PUBLIC
STATE OF COLORADO

Francois J. Goyer
Notary Public
410 Seventeenth Street, #1210
Denver, Colorado 80202

CERTIFICATION EFFECTIVE AS OF THE DATE OF THE ABOVE ASSIGNMENT REGARDING THE PDI TRUST

C. Dennis Irwin, Jr., of lawful age, having first been duly sworn deposes and says:

1. That C. Dennis Irwin, Jr. and Patricia Jean Irwin are the two original trustees, and the only two acting trustees of the PDI Trust dated February 23, 1994 (herein the "Trust"). The Trustees have the powers and responsibilities enumerated below.

2. That the trust agreement which established the Trust provides in part as follows:

"8.03 Court Supervision. All trusts created herein shall be administered free from the active supervision of any court...."

"8.07 Successor Powers and Liabilities. ....Any successor Trustee at any time acting hereunder, whether corporate or individual, shall have and exercise all of the rights, powers and privileges, and be subject to all of the obligations and duties, both discretionary and ministerial, as herein and hereby given and granted to the original Trustee hereunder, ..."

"8.10 Third Party Reliance. During any period when two (2) or more Trustees are acting, the decisions of such Trustees may be implemented by any one of them. Any person who deals with any Trustee of this trust shall incur no liability to the trust or any beneficiary because such Trustee has acted beyond the scope of such Trustee's authority...."

"8.14 Successor Trustee. If either original Trustee shall die, resign, become incompetent or cease to act for any other reason, the remaining Trustee shall serve as sole Trustee. In the event both original Trustees shall die, resign, become incompetent or cease to act for any other reason, **LAURIE DENISE SELLDON** of 10422 West Frost Place, Littleton, Colorado 80127, shall serve as Successor Trustee hereunder. If LAURIE DENISE SELLDEN shall fail to qualify or cease to act, **CHRISTY PATRICIA IRWIN** of 7244 Camino De Grazia #284, San Diego, California 92111, shall serve as Successor Trustee."

"9.04 Sale, Lease or Other Disposition. The Trustee may sell, lease, transfer, exchange or otherwise dispose of, or grant options with respect to, any and all property at any time forming a part of the Trust Estate, in such manner, at such time or times, for such purposes, for such periods of time whether ending before or after the term of the trust, for such considerations and upon such terms, credits and conditions as it deems advisable, and may make and deliver such deeds, leases and other instruments as it considers proper under the circumstances, and may deal with the Trust Estate in all other ways in which any natural person could deal with his own property."

"9.14 Oil, Gas and Other Mineral Powers. The Trustee may retain, acquire, operate, dispose of, lease, encumber and otherwise deal in oil, gas, mineral interests, and leasehold interests; explore for, drill, complete, and recomplete wells;...."

"9.16 Colorado Fiduciaries' Powers Act. ....the Trustee may exercise those powers set forth in the Colorado Fiduciaries' Power Act, together with any amendments to such Act subsequent hereto,...."

3. That the provisions of the Trust quoted in this Certificate are in full force and effect as of the date of the assignment set out above.

C. Dennis Irwin, Jr.
C. Dennis Irwin, Jr.

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

Sworn to before me and subscribed in my presence by C. Dennis Irwin, Jr., to me known and known to me to be the same person who executed the foregoing certification, and as such person 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 on June 24, 1994.

My Commission Expires
October 1, 1997.

FRANCOIS J. GOYER
NOTARY PUBLIC
STATE OF COLORADO

Francois J. Goyer
Notary Public
1614 Steele Street
Denver, Colorado 80206

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No. W-88580

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Bernard I. Grosser

Street: 511 Perry Hollow Road

City, State, Zip Code: Salt Lake City, UT 84103

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248247

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Misc PAGE 462
FEES 10.00
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

3. Land included in lease:

DO NOT WRITE BELOW THIS LINE

T. R. Meridian State County

T 31 N, R 109 W, 6th Prin. Mer., Sublette
Sec 30: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
31: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, E½

Total acres in lease 1028.88

Rental retained $ 1029.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
ANDREW L. TARSHIS (Signing Officer)

ACTING Chief, Oil and Gas Section (Title) OCT 09 1984 (Date)

EFFECTIVE DATE OF LEASE NOV 01 1984

(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 16th day of August, 1984. Bernard D Lynn

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

[redacted] [redacted] W-9859 [redacted]

To maintain esthetic values, all semi-permanent and permanent facilities may require painting or camouflage to blend with the natural surroundings. The paint selection or method of camouflage will be subject to approval by the District Manager, Bureau of Land Management.

No occupancy or other surface disturbance will be allowed within 300 feet of Lander Cutoff. This distance may be modified when specifically approved in writing by the District Manager, Bureau of Land Management.

In order to protect important seasonal wildlife habitat, exploration, drilling, and other development activity will be allowed only during the period from November 15 to May 15. This limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation in any given year may be specifically authorized in writing by the District Manager, Bureau of Land Management.

No occupancy or other surface disturbance will be allowed within a 1,320-foot radius of the center of a sage grouse strutting ground (lek). No exceptions to this will be granted. In order to protect the nesting area around the strutting ground, exploration, drilling, and other development activity will be allowed within a 1 3/4-mile distance from the ¼-mile lek protection zone only during the period June 15 to March 1. Exceptions to the monthly limitations in any year may be specifically authorized in writing by the District Manager, Bureau of Land Management.

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1984 AUG 20 AM 8:30
CHEYENNE, WYOMING

Aug 16, 1984 ✓ Date

Edward D Gorman ✓ Signature

465

Form 3100-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. W-92715

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Gilman A. Hill

Street: 7955 East Arapahoe Court

City, State, Zip Code: Englewood, CO 80112

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248248

RECORDED Sept. 8 1994 8:00AM
IN BOOK 98 N6 PAGE 465
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 31 N., R. 111 W., Sublette County, 6th PM, WY
sec. 9, NE¼NE¼;
19, lot 4;
T. 31 N., R. 112 W.
sec. 15, NW¼, N½SW¼, SW¼SW¼;
22, E½NE¼, SW¼NE¼;
24, SE¼SE¼.

Total acres in lease 519.27
Rental retained $ 520.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☐ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

By _____ ANDREW L. IARSHIS
(Signing Officer)

Chief, Leasing Section (Title) JUL 21 1988 (Date)

EFFECTIVE DATE OF LEASE AUG 1 1988

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

Tear Tear Tear

or separate lease that may include all [illegible] land described in this offer open to leasing at the time [illegible] as filed but omitted for any reason from this lease. [illegible]her agrees that this offer cannot be withdrawn [illegible] le or part, unless the withdrawal is received by the [illegible] fice before this lease, an amendment to this lease, or a [illegible], whichever covers the land described in the [illegible] as been signed on behalf of the United States

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7 day of October, 1987.

I HEREBY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL [illegible] A[illegible]ILDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Silman A. Hill

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals.—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties.—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified. An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds.—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage.—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection.—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations.—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations.—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium.—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property.—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in interest.—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

467

Form 3110-11*
(March 1983)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No.
W-97288

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Gilman A. Hill

Street: 6200 Plateau Drive

City, State, Zip Code: Englewood, Colorado 80111

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T.	R.	Meridian	State	County

248249

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Misc PAGE 467
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sacton

Total acres applied for _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED SHEET

Total acres in lease 1932.41
1933.00

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☑ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Oil and Gas Section (Title) DEC 30 1985 (Date)

EFFECTIVE DATE OF LEASE JAN 1 1986

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

4 (a) Undersigned [redacted] (1) offeror is a citizen of the United States; an asso[redacted] citizens, a municipality; or a corporation organized [redacted] s of the United States or of any State or Terri[redacted] (2) all parties holding an interest in the offer are in com[redacted] 43 CFR 3100 and the leasing authorities; (3) offeror's [redacted] erests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 2nd day of December, 1985. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations o[redacted] production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds--Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage--Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection--Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations--Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations--To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium--Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property--Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity--Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease--As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises--At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest--Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

W-97288

T. 31 N., R. 110 W., Sublette County, 6th PM, WY
sec. 6, E½SW¼;
7, NE¼SW¼;
17, E½SE¼;
18, lots 2, 3, 4, SE¼NW¼, E½SW¼, W½SE¼, SE¼SE¼;
20, NW¼NW¼, S½NW¼, SW¼, W½SE¼;
28, SW¼NW¼, SW¼SW¼;
29, all;
33, W½.

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No. W-100302

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name L. M. Grace, Jr.

Street P.O. Box 1887

City, State, Zip Code Casper, WY 82602

RECEIVED
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING
1986 JUN -5 AM 9 30

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248250

RECORDED Sept. 8 1994 8:00 AM
IN BOOK 98 Misc PAGE 470
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

3. Land included in lease:

DO NOT WRITE BELOW THIS LINE

T. R. Meridian State County

T. 33 N., R. 111 W., Sublette County, 6th PM, WY
sec. 15, all;
17, NE¼NE¼, S½NE¼, SE¼;
20, NE¼, NE¼NW¼, S½NW¼, S½;
21, all;
28, E½.

Total acres in lease 2480.00

Rental retained $ 2480.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARWIS (Signing Officer)

Chief, Leasing Section (Title) JUL 22 1986 (Date)

EFFECTIVE DATE OF LEASE AUG 1 1986

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

Tear Tear Tear

in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 4th day of June, 1986

(Signature of Lessee or Attorney in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense of loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

Form 3100-11
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No.

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Liberty Petroleum Corporation

Street: 500 Fifth Avenue, Suite 1420

City, State, Zip Code: New York, New York 10110

2. This offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248251

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Misc PAGE 472
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

3. Land included in lease:

DO NOT WRITE BELOW THIS LINE

T. R. Meridian State County

SEE ATTACHED SHEET

Total acres in lease _____

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease: (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Patricia J. Nattles
(Signing Officer)

for Chief, Leasing Section
(Title)

OCT 28 1986
(Date)

EFFECTIVE DATE OF LEASE NOV 1 1986

(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

472

of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of October, 19 86.

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds--Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage--Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection--Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations--Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations--To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium--Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property--Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity--Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease--As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises--At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest--Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

W-101774

T. 31 N., R. 110 W., Sublette County, 6th PM, WY
sec. 6, lots 1, 2, 3, 4, 5, 6, 7,
SW¼NE¼, SE¼NW¼, W½SE¼;
7, lots 1, 2, W½NE¼, E½NW¼,
SE¼;
17, NW¼;
18, NE¼NE¼.
T. 31 N., R. 111 W.,
sec. 1, lots 1, 2, S½NE¼, SE¼;
12, NE¼NE¼.

(March 1988)

475

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OMB No. 1004-0008
Expires January 31, 1986

Serial No. WYW 101779

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Shama Kafar Ltd. Partnership

   Street: 7955 East Arapahoe, Suite 3100

   City, State, Zip Code: Englewood, CO 80112

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING
RECEIVED
88 AUG 15 AM 9:30

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (Percent U.S. Interest _____)

   Surface managing agency if other than BLM: _____ Unit/Project _____

   Legal description of land requested:

T.	R.	Meridian	State	County

248252

RECORDED Sept. 8 1994 8:00 M
IN BOOK 98 Ø46 PAGE 475
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres applied for _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County
T. 32 N.,	R. 111 W.,	Sublette County, 6th PM, WY		

sec. 5, lots 1, 2;
8, NE¼, N½NW¼, SE¼NW¼, NE¼SW¼;
9, E½NE¼;
10, W½NE¼, NW¼, N½SW¼;
15, W½, W½SE¼;
17, NE¼NE¼;
19, lots 1, 2, 3, 4, E½W½, E½W½;
20, SW¼NW¼, SW¼, SW¼SE¼;
22, NE¼, N½SE¼, SE¼SE¼;
26, NW¼NW¼, SE¼NW¼.

Total acres in lease 2444.34

Rental retained $ 2445.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section (Title) DEC 28 1988 (Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

of any State or Territor[redacted] all parties holding an interest in the offer are in compl[redacted] FR 3100 and the leasing authorities; (3) offeror's cha[redacted]ests, direct and indirect, in either public domain [redacted]lands do not exceed 200,000 acres in oil and gas option [redacted] acres in options and leases in the same State, or 300,0[redacted] leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(c) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 8th day of Aug, 1988

Glenn A. Hall
Glen Eastman of Chena Kaken Ltd. Partnership
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS [illegible] CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION [illegible](2)(A) OF THE MINERAL LEASING ACT

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States, accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

477

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No. [illegible]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Rutter Enterprises

Street: P. O. Box 3186

City, State, Zip Code: Midland, Texas 7970[illegible]

2. This offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248253

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 Ø46 PAGE 477
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 32 N., R. 111 W., Sublette County, 6th PM, WY
sec. 29, all;
30, lots 1, 2, 3, 4, E½, E½W½;
31, lots 1, 2, 3, 4, E½, E½W½;
32, all.

Total acres in lease 2542.36

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Patricia J Wattles
(Signing Officer)

for Chief, Leasing Section
(Title)

OCT 7 1986
(Date)

EFFECTIVE DATE OF LEASE NOV 1 1986

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

of any State or Territory [illegible] all parties holding an interest in the offer [illegible] acres in options and leases in the same State, or 300,0[illegible]ases and 200,000 acres in either public domain [illegible]ands do not exceed 200,000 acres in oil and gas option[illegible] in options in either leas[illegible]n Alaska; and (4) offeror is not considered a minor u[illegible]s of the State in which the lands covered by this offer[illegible]

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RUTTER ENTERPRISES

Duly executed this 28th day of August, 19 86. BY: A. W. RUTTER, JR., PARTNER (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property, as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

479

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name Howell Roberts Spear

Street Box 206, Old Pagoda Road

City, State, Zip Code Pinedale, WY 82941

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

RECEIVED
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING
96 OCT 29 AM 9:30

248254

RECORDED Sept. 8, 1994 8:00 A M
IN BOOK 90 Q46 PAGE 479
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 31 N., R. 114 W., Sublette County, 6th PM, WY
Sec. 6, lots 1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼, SE¼;
7, lots 1, 2, 3, 4, E½, E½W½.

Total acres in lease 1271.04
1272.04

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section
(Title)

NOV 18 1986
(Date)

EFFECTIVE DATE OF LEASE DEC 1 1986

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

of any State or Territory and all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable costs, direct and indirect, in either public domain [redacted] lands do not exceed 200,000 acres in oil and gas options and [redacted] acres in options and leases in the same State, or 300,000 [redacted] leases and 200,000 acres in options in either leasing district in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of OCT 27 1986, 19____.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds--Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage--Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection--Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations--Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations--To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium--Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property--Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity--Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease--As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises--At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest--Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

481

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.
W-102775

OFFER TO LEASE AND LEASE FOR OIL AND GAS

1986 DEC -5 AM 9:30

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

RECEIVED

Read Instructions Before Completing

1. Name: Liberty Petroleum Corporation
Street: 200 West 58 Street
City, State, Zip Code: New York, NY 10019

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T.	R.	Meridian	State	County

248255

RECORDED Sept. 8 1994 8:00A M
IN BOOK 98 Mis PAGE 481
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

T. 32 N., R. 111 W., Sublette County, 6th PM, WY
sec. 11, all;
13, all;
14, all.

Total acres in lease 1920.00
Rental retained $ 1920.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section
(Title)

JUL 21 1988
(Date)

EFFECTIVE DATE OF LEASE AUG 1 1988

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

of any State or Territory [redacted] all parties holding an interest in the offer are in comp[redacted] CFR 3100 and the leasing authorities, (3) offeror's cha[redacted]sts, direct and indirect, in either public domain [redacted] lands do not exceed 200,000 acres in oil and gas opti[redacted] acres in options and leases in the same State, or 300,[redacted]res and 200,000 acres in options in either lea[redacted] in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 4th day of December, 19 86.

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds--Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage--Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection--Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations--Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations--To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium--Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property--Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity--Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease--As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises--At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in-interest--Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

483

IN REPLY REFER TO:

United States Department of the Interior

3112
(923a)

Bureau of Land Management
Wyoming State Office
P.O. Box 1828
Cheyenne, Wyoming 82003

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
87 AUG -6 AM 9 30
RECEIVED
CHEYENNE, WYOMING

W-102773

Liberty Petroleum Corporation
200 West 58 Street, Suite 10-A
New York, New York 10019

NOTICE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

Effective December 31, 1986, the following statement, which will be attached to your lease (number shown above), must be signed. It is imperative that both copies be signed and returned as soon as possible to this office to avoid delay in the issuance of your lease. An envelope is provided for your use.

Signatory certifies compliance with qualifications concerning Federal coal lease holdings provided in Section 2(a)(2)(A) of the Mineral Leasing Act.

LIBERTY PETROLEUM CORPORATION

8-3-87
Date

Signature
Gregor Klurfeld, President

Andrew L. Tarshis
Chief, Leasing Section

[redacted] [redacted]

OFFER TO LEASE AND [redacted] FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Liberty Petroleum Corp.

   Street: P. O. Box 20467, Columbus Circle

   City, State, Zip Code: New York, New York 10023

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

   Surface managing agency if other than BLM: _____ Unit/Project _____

   Legal description of land requested:

   T. R. Meridian State County

248258

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 946 PAGE 484
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RECEIVED
CHEYENNE, WYOMING
88 MAR 18 AM 10 30

   Amount remitted Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

Land included in lease

T. R. Meridian State County

T. 32 N., R. 111 W., Sublette County, 6th PM, WY
sec. 23, all;
24, all;
25, E½, E½W½, S½SW¼;
26, NE¼NW¼, S½SE¼;
33, W½;
35, NE¼NE¼.

Total acres in lease 2200.00

Rental retained $ 2200.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease

☐ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section
(Title)

DEC 1 1988
(Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an assignment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 17th day of March, 1988

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS FOR FEDERAL COAL HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00,
(b) Regular noncompetitive lease, $1.00,
(c) Competitive lease, $2.00, or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%,
(b) Regular noncompetitive lease, 12½%,
(c) Competitive lease, see attachment, or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified. An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No. W-77277

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1936 DEC -5 AM 9:30
CHEYENNE WYOMING

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name

Liberty Petroleum Corporation
Street 200 West 58 Street
New York, NY 10019

City, State, Zip Code

2. This offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248257

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 O46 PAGE 486
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 33 N., R. 111 W., Sublette County, 6th PM, WY
sec. 8, SE¼NE¼, E½SE¼;
9, all;
10, all;
11, SW¼SW¼;
14, W½W½;
28, W½;
29, all.

Total acres in lease 2560.00
Rental retained $ 2,560.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

BY _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section
(Title)

JUL 21 1988
(Date)

EFFECTIVE DATE OF LEASE AUG 1 1988

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

486

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(*a*) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 4th day of December, 19 86.

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld

(Signature of Lessee or Attorney-in-fact)

Gregor Klurfeld, President

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations--To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest--Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

[redacted]

Form 3100-11*
(March 1984)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

[redacted]

BUREAU APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No.
W-102776

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Lowell Roberts Spear
   Street: Box 266, Old Naghorta Road
   City, State, Zip Code: Perkinston, MS 39573

2. This offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested:

T.	R.	Meridian	State	County

CHEYENNE, WYOMING
RECEIVED
96 OCT 29 AM 9:30
BUREAU OF LAND MANAGEMENT

248258

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 046 PAGE 488
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County
41 N.,	R. 111 W.,	6th PM,	WY	Sublette

Sec. 25, E½;
27, NE¼NE¼;
30, SE¼;
31, NE¼;
32, E½, E½NW¼, E½SW¼, N½S½;
33, all;
34, all.

Total acres in lease 2240.00

Rental retained $ 2240.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section
(Title)

NOV 18 1986
(Date)

EFFECTIVE DATE OF LEASE DEC 1 1986

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of OCT 27 1986, _____

L Bruce Roberts Jr

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage--Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations--To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease--As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises--At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

Form 3100-11*
(March 1984)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

[redacted]

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986

Serial No. [illegible]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name [illegible]

Street [illegible]

City, State, Zip Code [illegible]

FILED
ON MAY BE VIEWED
AT BLM OFFICE
1987 JAN 29 AM 9:30
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248259

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Oto PAGE 490
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 31 N., R. 110 W., Sublette County, 6th P.M., Wy
Sec. 15, NE¼, E½NW¼, N½SE¼.
26, all;
28, N½SW¼;
35, all.

Total acres in lease 1440.00

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Patricia J. Wattles
(Signing Officer)

for [illegible]
(Title)

MAR 6 1987
(Date)

EFFECTIVE DATE OF LEASE APR 1 1987

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the Leasing authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 23 day of JANUARY, 1987

SHAMA-KAFAR LIMITED PARTNERSHIP
BY: Gilman A. Hill
(Signature of Lessee or Attorney-in-fact)
Gilmon A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds - Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage--Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations - To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium - Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity - Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease--As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises - At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default - If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in interest - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

Form 3100-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

OFFER TO LEASE AND LEASE FOR OIL AND GAS

W-103512

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty Gen. 41), or the

Read Instructions Before Completing

1. Name: Shum-Kafar Limited

Street: 7955 E. Arapahoe Ct. #3100

City, State, Zip Code: Englewood, CO 80112

1987 JUL -6 AM 9:00
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R Meridian State County

248260

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Misc PAGE 492
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 32 N., R. 111 W., Sublette County, 6th PM, WY
sec. 18, lots 3, 4, SE¼SW¼.
T. 32 N., R. 112 W.,
sec. 12, SE¼SW¼.

Total acres in lease 154.73

Rental retained $ 155.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section (Title) JUL 23 1987 (Date)

EFFECTIVE DATE OF LEASE AUG 1 1987

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

Tear

FOR LESSEE

Tear

4 (a) Undersigned certifies that (1) offeror is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SIGNATORY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Duly executed this 30th day of June, 19 87 Lehman A. Hall, General Partner for Shama Kator Limited Partnership

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00, or
(d) Other, see attachment

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment, or
(d) Other, see attachment

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage. Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States, accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

Form 3100-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

OFFER TO LEASE AND LEASE FOR OIL AND GAS

W-104213

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty Gen. 41), or the

Read Instructions Before Completing

1. Name: Liberty Petroleum Corporation

Street: 200 West 58 Street, Suite 10-A

City, State, Zip Code: New York, NY 10019

1987 AUG -6 PM 9:30
RECEIVED
CHEYENNE, WYOMING
BUREAU OF LAND MANAGEMENT

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248261

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Misc PAGE 494
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

3. Land included in lease:

DO NOT WRITE BELOW THIS LINE

T. R. Meridian State County

T. 32 N., R. 111 W., Sublette County, 6th PM, WY
sec. 6, lots 1, 2;
7, lot 1, E½NW¼, NE¼SW¼.
T. 33 N., R. 112 W.,
sec. 24, all;
25, all.

Total acres in lease 1450.32

Rental retained $ 1450.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section (Title)

APR 29 1988 (Date)

EFFECTIVE DATE OF LEASE MAY 1 1988

(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

Tear

494

of separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SIGNATORY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Duly executed this 3rd day of August, 19 87

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LIBERTY PETROLEUM CORPORATION

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage. Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity. Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

Form 3100-1J
(April 1986)

UNI[redacted]ES
DEPARTME[redacted]. INTERIOR
BUREAU OF LAND MANAGEMENT

[redacted]

Serial No. [illegible]

1987 MAY 18 AM 9:30

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Abby Corporation

Street: P. O. Box 1529

City, State, Zip Code: Grand Junction, CO 81502

2. This offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T.	R.	Meridian	State	County

248262

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Misc. PAGE 496
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED SHEET

Total acres in lease [illegible]

Rental retained $_____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Branch of [illegible]
(Title)

JUN 10 1987
(Date)

EFFECTIVE DATE OF LEASE JUL 1 1987

(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

Tear Tear Tear

496

4 (a) Undersigned certifies that (1) offeror is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SIGNATORY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Duly executed this 11 day of May, 1987

Scott A. Harris
President
(Signature of Lessee or Attorney in fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage. Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States, accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

W-104824

T. 33 N., R. 110 W., Sublette County, 6th PM, WY
sec. 31, lots 1, 2, 3, 4, E½, E½W½.
T. 32 N., R. 111 W.,
sec. 1, lots 1, 2, 3, 4, S½SE¼;
2, lots 1, 2, 3, 4;
3, lots 1, 2, 3, 4;
4, lots 1, 2, 3, 4;
9, W½NE¼, NW¼;
10, E½NE¼, SE¼;
15, NE¼, E½SE¼.

499

Form 3100-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1987 MAY 18 AM 9:30

Serial No. [illegible]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name [illegible] Corporation

Street P. O. Box [illegible]

City, State, Zip Code Grand Junction, CO [illegible]

---

2. This offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T.	R.	Meridian	State	County

248263

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 D46 PAGE 499
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total acres in lease [illegible]

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

[illegible] (Title)

JUN 12 1987 (Date)

EFFECTIVE DATE OF LEASE JUL 1 1987

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

Year Year Year

[redacted] [redacted] [redacted]

4 (a) Undersigned o[redacted]feror is a citizen of the United States, an association [redacted]ens, a municipality, or a corporation organized under [redacted] United States or of any State or Territory [redacted]rties holding an interest in the offer are in compliance [illegible] 3100) and the leasing authorities, (3) offeror's charges in interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

[illegible] CERTIFIES COMPLIANCE WITH QUALIFICATIONS OF [illegible]
LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING

Duly executed this 11 day of May, 1982

Sara A Harris
President
(Signature of Lessee or Attorney in fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified. An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

3. Bonds—Lessee shall file and maintain any bond required under regulations.

4. Diligence, rate of development, unitization, and drainage. Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity. Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default. If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be canceled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

501

Form 3100-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. W-100160

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Gilman Arthur Hill

Street: 7955 East Arapahoe Court, Suite 3100

City, State, Zip Code: Englewood, CO 80112

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

248264

RECORDED Sept. 8 1988 8:00 AM
IN BOOK 98 PAGE 501
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 30 N., R. 109 W., Sublette County, 6th P.M., Wyo.,
Sec. 7, lots 6, 7, E½NW¼;
18, lots 1, 2, 3, 4, E½W½;
34, all;
35, all.

Total acres in lease 1,037.xx
1,093.xx

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)*

☐ Regular noncompetitive lease (ten years)*

☐ Competitive lease (five years)*

☐ Other _____

THE UNITED STATES OF AMERICA

By: ANDREW L. TARSHIS
(Signing Officer)

Chief, Adjudication Section
(Title)

JUL 21 1988
(Date)

EFFECTIVE DATE OF LEASE: AUG 1 1988

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

Tear Tear Tear

4 (a) Undersigned [redacted] offeror is a citizen of the United States, an association [redacted] ions, a municipality, or a corporation organized under [redacted] United States or of any State or Territory [redacted] arties holding an interest in the offer are in compliance [redacted] 3100 and the leasing authorities. (3) offeror's charge [redacted] irect and indirect, in either public domain or [illegible] do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. SIGNATORY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Duly executed this 24 day of August, 1987 Gilman Arthur Hill

(Signature of Lessee or Attorney in fact)

LEASE TERMS

Sec. 1. Rentals--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified. An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds--Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage. Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection--Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations--Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations--To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium--Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property--Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity--Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States, accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease--As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises--At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default. If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be canceled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

503

Form 3109-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. [illegible]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty Gen 41), or the

Read Instructions Before Completing

1. Name: Gilman Arthur III

Street: 7555 East Arapahoe Court, Suite 3100

City, State, Zip Code: Englewood, CO 80112

1987 SEP -1 AM 10:30
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T.	R.	Meridian	State	County

248263

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Misc PAGE 503
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

T. 30 N., R. 110 W., Sublette County, 6th PM, WY
sec. 10, W½NE¼.

Total acres in lease 80.00

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section
(Title)

JUL 21 1988
(Date)

EFFECTIVE DATE OF LEASE AUG 1 1988

FOR LESSEE

[2](Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

Year Year Year

4. (a) Undersigned ([redacted]) offeror is a citizen of the United States, an association [redacted] ens, a municipality, or a corporation organized under [redacted] United States or of any State or Territory [redacted] parties holding an interest in the offer are in compliance [redacted] R 3100 and the leasing authorities, (3) offeror's chargeable [redacted] direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SIGNATORY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Duly executed this 24 day of August, 19 87 Gilman Arthur Hall

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments in aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified. An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds.—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage.—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection.—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations.—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations.—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium.—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property.—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors in interest.—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

505

Form 3100-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. W-107042

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Liberty Petroleum Corporation

Street: P. O. Box 20467

City, State, Zip Code: New York, NY 10023

RECEIVED
CHEYENNE, WYOMING
1987 DEC -9 AM 9
BUREAU OF LAND MANAGEMENT

2. This offer/lease is for: (Check Only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State County

Lands in offer were not within a known geologic structure on DEC 28 1987.

M D Bauer
District Manager
Rock Springs District

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____ Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

T. 30 N., R. 108 W., Sublette County, 6th PM, WY
sec. 30, lots 1, 2, 3, 4, E½, E½W½;
31, lots 1, 2, 3, 4, E½, E½W½;
32, all.

248266

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 046 PAGE 605
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease 1823.80
Rental retained $ 1824.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☒ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ ANDREW L. TARSHIS
(Signing Officer)

Chief, Leasing Section (Title) JAN 08 1988 (Date)

EFFECTIVE DATE OF LEASE FEB 1 1988

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

Original

Tear

4 (a) Undersigned certifies that offeror is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SIGNATORY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Duly executed this 7th day of December, 19 87.

Gregor Klurfeld, President
(Signature of Lessee or Attorney-in-fact)

LIBERTY PETROLEUM CORPORATION

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified. An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on all surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States, accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

507

Form 3100-11
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. W-101[illegible]

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41), or the

Read Instructions Before Completing

1. Name: Gilman A. Hill

Street: 7979 East Arapahoe Ct., Suite 3100

City, State, Zip Code: Englewood, CO 80112

2. This offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T.	R	Meridian	State	County

1987 NOV 12 AM 9

Total acres applied for _____

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total $ _____

3. Land included in lease:

DO NOT WRITE BELOW THIS LINE

T.	R	Meridian	State	County
SEE ATTACHED SHEET				

248267

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 D&P PAGE 507
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____

Rental retained $ _____

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

☑ Simultaneous noncompetitive lease (ten years)

☐ Regular noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ L. TARSHIS
(Signing Officer)

Chief, Leasing Section
(Title)

JAN 10 1989
(Date)

EFFECTIVE DATE OF LEASE FEB 1 1989

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

Tear Tear Tear

[redacted] [redacted] [redacted]

4. (a) Undersigned certi [redacted] fferor is a citizen of the United States, an association [redacted] ens, a municipality, or a corporation organized under [redacted] United States or of any State or Territory th [redacted] arties holding an interest in the offer are in compliance [redacted] 3100 and the leasing authorities, (3) offeror's charges [redacted] direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

I HEREBY CERTIFIES COMPLIANCE WITH QUALIFICATIONS CONCERNING FEDERAL COAL LEASE HOLDINGS PROVIDED IN SECTION 2(a)(2)(A) OF THE MINERAL LEASING ACT

Duly executed this 5th day of November, 1982. Lehman A. Hall

Signature of Lessee or Attorney in fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified. An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage. Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provision of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be canceled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

W-107050

T. 29 N., R. 110 W., Sublette County, 6th PM, WY
That portion of the bed of the Green River riparian to:
sec. 6, lots 2, 7.
T. 30 N., R. 110 W.,
That portion of the bed of the Green River riparian to:
sec. 21, lots 2, 3, 5;
31, lots 2, 5, 7, 8, 12.
Those portions of the beds of the Green River and the New Fork River riparian to:
sec. 27, lot 3;
28, lots 5, 6, 7, 8, 9;
29, lots 1, 2, 3, 4, 5, 6, 7;
30, lot 7.

Metes and bounds for riparian lands described on attached sheets.

[redacted] [redacted] [redacted]

Form 3100-1
(August 1987)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW-108911

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 OP. Atty. Gen. 41). Signatory certifies compliance with qualifications concerning Federal coal lease holdings provided in Sec. 2(a)(2)(A) of the Mineral Leasing Act.

Read Instructions Before Completing

1. Name Liberty Petroleum Corp.

Street P.O. Box 20467, Columbus Circle Station

City, State, Zip Code New York, NY 10023

2. This offer/lease is for: (Check Only One) [X] PUBLIC DOMAIN LANDS [ ] ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested:

T. R. Meridian State

248268

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Misc PAGE 510
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

RECEIVED
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING
88 SEP 19 AM 9:30

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 33 N. R. 112 W. Meridian 6th PM State WY County Sublette

sec. 10, SW¼SW¼;
15, all;
21, NE¼, NE¼NW¼;
22, NE¼, N½SE¼, SE¼SE¼;
27, SE¼NE¼.

Total acres in lease 1200.00

Rental retained $ 1,200.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, this lease is issued granting the nonexclusive right to conduct oil and gas geophysical exploration, and the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

Type and primary term of lease:

[X] Simultaneous noncompetitive lease (ten years)

[ ] Regular noncompetitive lease (ten years)

[ ] Competitive lease (five years)

[ ] Other _____

THE UNITED STATES OF AMERICA

by Daryl A. Pomeranke (Signing Officer)

CHIEF, LEASING SECTION (Title)

OCT 12 1988 (Date)

EFFECTIVE DATE OF LEASE NOV 1 1988

(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

FOR LESSEE

511

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 16th day of September, 19 88

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Simultaneous noncompetitive lease, $1.00 for the first 5 years, thereafter, $3.00;
(b) Regular noncompetitive lease, $1.00;
(c) Competitive lease, $2.00; or
(d) Other, see attachment.

If all or part of a noncompetitive leasehold is determined to be within a known geological structure or a favorable petroleum geological province, annual rental shall become $2.00, beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rental of more than $2.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Simultaneous noncompetitive lease, 12½%;
(b) Regular noncompetitive lease, 12½%;
(c) Competitive lease, see attachment; or
(d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than $1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

OFFER TO LEASE AND LEASE FOR [redacted] AND GAS 20039 WYW-113414 [redacted]

The ur[redacted]ee) offers to lease all or any of the lands in Item 3 that are available for [redacted] pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Shama Kafar Limited Partnership: by Gilman A. Hill, General Partner
   Street: 7955 E. Arapahoe Court; Suite #3500
   City, State, Zip Code: Englewood, Colorado 80112

2. This application/offer/lease is for: (Check only One) ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: 8808-846 *Sale Date (m/d/y): 08/16/88
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. 30N R. 109W Meridian 6th p.m. State Wyo County Sublette

   Sect. 13; NE¼, N½NW¼

Amount remitted: Filing fee $ 75.00 Rental fee $ 300.00 Total acres applied for 200.00
Total $ 375.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

248269

SEE ATTACHED

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Bk6 PAGE 512
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease _____
Rental returned $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

ANDREW L. TARSHIS (Authorized Officer)
~~CHIEF, LEASING SECTION~~ (Title) SEP 20 1988 (Date)

EFFECTIVE DATE OF LEASE OCT 1 1988

(Continued on reverse)

FOR LESSEE

Year

INSTRUCTIONS

Year

A. General

1. The front of this form is to be completed only by parties filing for a noncompetitive lease. The BLM will complete front of form for all other types of leases.

2. Entries must be typed or printed plainly in ink. Offeror must sign Item 4 in ink.

3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.2-1 for office locations.

4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Special:

Item 1—Enter offeror's name and billing address.

Item 2—Identify the mineral status and, if acquired lands, percentage of Federal ownership of applied for minerals. Indicate the agency controlling the surface of the land and the name of the unit or project which the land is a part. The same offer may not include both Public Domain and acquired lands. Offers must be for all available lands within a section. Offers for less than all available lands within a section will be rejected if the omitted lands would otherwise be available to the next qualified offeror. Offers which fail to include all lands in any lot or tract may be rejected. Land descriptions must conform to the official records of the BLM. Land descriptions in offers to lease which are protracted must fall within the protraction diagram as described in 43 CFR 3110.1-1(b). Offers which do not properly describe lands in sequential order will be rejected. Offers for lands not available for leasing will be rejected. Offers must be manually adjusted to conform to the official records of the BLM before they are filed. Offers which are not adjusted may be rejected. Offers which are rejected for failure to adjust to the official records of the BLM will not be given priority as of the date the adjusted offer is filed. Offers must be for whole lots or quarter-quarter sections. Offers for unsurveyed lands must be tied by course and distance to the official survey of the public land survey system and the official survey must be projected to establish the land description. Offers for lands in areas which have been surveyed but not officially plotted must describe the land by aliquot part and section, township and range. Offers for lands in areas which have not been surveyed must describe the land by metes and bounds, giving courses and distances between the successive corners of the boundary of the land and connection by courses and distances to an official corner. Offers for lands in areas of omitted surveys must describe the land by aliquot part, section, township and range as shown on the approved protraction diagram. Offers for lands in areas of unsurveyed islands must describe the land by aliquot part, section, township and range as shown on the approved protraction diagram. Offers for lands in areas of fractional sections must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of irregular surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of resurveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of dependent resurveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of independent resurveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of special surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of group surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of mineral surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of homestead surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of townsite surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of private surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of Indian surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of military surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of railroad surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of canal surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of ditch surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of reservoir surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of dam surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of levee surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of bridge surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of road surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of trail surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of boundary surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of corner surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of monument surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of marker surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of boundary surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of corner surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of monument surveys must describe the land by lot number, section, township and range as shown on the official plat of survey. Offers for lands in areas of marker surveys must describe the land by lot number, section, township and range as shown on the official plat of survey.

Item 3—This space will be completed by the United States

512

PAPERWORK REDUCTION ACT STATEMENT

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that:

1. This information is being collected pursuant to the law.

2. This information will be used to create and maintain a record of oil and gas lease activity.

3. Response to this request is required to obtain a benefit.

NOTICE

The Privacy Act of 1974 and the regulations in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas lease offer.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359

PRINCIPAL PURPOSE--The information is to be used to process oil and gas offers and leases.

ROUTINE USES:

(1) The adjudication of the lessee's rights to the land or resources.

(2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.

(3) Transfer to appropriate Federal agencies when consent or concurrence is required prior to granting a right in public lands or resources.

(4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION--If all the information is not provided, the offer may be rejected. See regulations at 43 CFR 3100.

---

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 16 day of August, 19 88 Lehman A. Hall
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A Bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligations of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

[redacted] [redacted] [redacted]

WYW-113414

T. 30 N., R. 109 W., 6th PM, WY
sec. 13, NE¼, NW¼NW¼.

Sublette County 200.00 Acres

515

...30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the ... (30 U.S.C. 181)

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Shama Kafar Limited Partnership: by Gilman A. Hill, General Partner
   Street: 7955 E. Arapahoe Court; Suite #3500
   City, State, Zip Code: Englewood, Colorado 80112

2. This application/offer/lease is for: (Check only One) [X] PUBLIC DOMAIN LANDS [ ] ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: 8808-867 *Sale Date (m/d/y): 08/16/88
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. 30N R. 111W Meridian 6th p.m. State Wyo. County Sublette

   Sect. 26, N½, N½S½, SE¼SE¼

   Amount remitted: Filing fee $ 75.00 Rental fee $ 780.00 Total acres applied for 520.00
   Total $ 855.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

   T. R. Meridian State County

248270

SEE ATTACHED

RECORDED Sept. 8 1994 8:00AM
IN BOOK 98 Misc PAGE 515
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease _____
Rental returned $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

[X] Noncompetitive lease (ten years)

[ ] Competitive lease (five years)

[ ] Other _____

THE UNITED STATES OF AMERICA

By _____
ANDREW L. TARSHIS (Officer)
CHIEF, LEASING SECTION (Title) SEP 20 1988 (Date)

EFFECTIVE DATE OF LEASE OCT 1 1988

(Continued on reverse)

FOR LESSEE

Tear

INSTRUCTIONS

Tear

A. General

1. The front of this form is to be completed only by parties filing for a noncompetitive lease. The BLM will complete front of form for all other types of leases.

2. Entries must be typed or printed plainly in ink. Offeror must sign Item 4 in ink.

3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.2-1 for office locations.

4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Special:

Item 1—Enter offeror's name and billing address.

Item 2—Identify the mineral status and, if acquired lands, percentage of Federal ownership of applied for minerals. Indicate the agency controlling the surface of the land and the name of the unit or project which the land is a part. The same offer may not include both Public ... in establishing title for minerals. The description of land must conform to 43 CFR 3110. A single parcel number and Sale Date shall be the only acceptable description during the period from the first day following the end of a competitive process until the end of that same month, using the parcel number on the List of Lands Available for Competitive Nominations or the Notice of Competitive Lease Sale, whichever is appropriate.

Payments: The amount remitted must include the filing fee and the first year's rental at the rate of $1.50 per acre or fraction thereof. The full rental based on the total acreage applied for must accompany an offer even if the mineral interest of the United States is less than 100 percent. The filing fee will be returned as a service charge even if the offer is completely rejected or withdrawn. To protect priority, it is important that the rental submitted be sufficient to cover all the land requested. If the land requested includes lots or unsurveyed quarter-quarter sections, the exact area of which is not known to the offeror, rental should be submitted on the basis of each such lot or quarter-quarter section containing 40 acres. If the offer is withdrawn or rejected in whole or in part before a lease issues, the rental returned for the parts withdrawn or rejected will be returned.

V Item 3—This space will be completed by the United States

[redacted] [redacted] [redacted]

PAPERWORK REDUCTION ACT STATEMENT

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that:

1. This information is being collected pursuant to the law.

2. This information will be used to create and maintain a record of oil and gas lease activity.

3. Response to this request is required to obtain a benefit.

NOTICE

The Privacy Act of 1974 and the regulations in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas lease offer.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359

PRINCIPAL PURPOSE—The information is to be used to process oil and gas offers and leases.

ROUTINE USES:

(1) The adjudication of the lessee's rights to the land or resources.

(2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.

(3) Transfer to appropriate Federal agencies when consent or concurrence is required prior to granting a right in public lands or resources.

(4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION—If all the information is not provided, the offer may be rejected. See regulations at 43 CFR 3100.

---

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under options, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 16 day of August, 1988. Lehman A. Hall

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50, for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A Bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligations of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

WYW-113419

T. 30 N., R. 111 W., 6th PM, WY
sec. 26, N½, N½S½, SE¼SE¼.

Sublette County 520.00 Acres

Form 3100-11
(June 1988)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

[redacted]

20-10

Serial No. [redacted] 110422

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama-Kasar Limited Partnership
   Street 7955 E. Arapahoe Court Suite 3500
   City, State, Zip Code Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8808-876 *Sale Date (m/d/y): 8/16/88

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County
33N	112W	6th P.M.	Wyoming	Sublette

Sect. 14: ALL
Sect 23: ALL

Amount remitted: Filing fee $ 75.00 Rental fee $ 1920.00 Total acres applied for 1280.00
Total $ ~~1995~~ 1995.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

248271

RECORDED Sept 8 1994 8:00AM
IN BOOK 98 046 PAGE 518
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION DEC 12 1988
(Title) (Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

(continued on reverse)

FOR LESSEE

519

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 16th day of August, 19 88. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

General Partner - Shane Kader 2nd

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

[redacted] [redacted] [redacted]

WYW-113422

T. 33 N., R. 112 W., 6th PM, WY
sec. 14, all;
23, all.

Sublette County 1280.00 Acres

Form 3109-11
(June 1988)

521

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

(1119)

Serial No. WY W-114041

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name L. S. HAGOOD
   Street P.O. Box 1401
   City, State, Zip Code DENVER, CO 80201

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8810-622 *Sale Date (m/d/y): 10 / 03 / 88
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County
OR/31N	109W	6TH	WY	SUBLETTE

Sec 7, NE¼, NE¼SE¼

Amount remitted: Filing fee $ 75.00 Rental fee $ 300.00 Total acres applied for 200.00
Total $ 375.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

248272

SEE ATTACHED

RECORDED Sept. 8 1994 8:00 AM
IN BOOK 98 076 PAGE 521
FEES 0.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION (Title) DEC 12 1988 (Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

(Continued on reverse)

FOR LESSEE

in either public domain or [illegible]als do not exceed 246,080 acres in Federal oil and ga[illegible] leases in the same State, of which not more than 200,000 acres [illegible] option, or 300,000 acres in leases and 200,00[illegible]ons in either leasing District in Alaska; (4) offeror is [illegible]d a minor under the laws of the State in which the land[illegible]his offer are located; (5) offeror is in compliance [illegible]qualifi[illegible]ations concerning Federal coal lease holdings provided [illegible]0(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 4TH day of OCTOBER, 19 88. W Hargood

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988–573-017/96009

WYW-114041

T. 31 N., R. 109 W., 6th PM, WY
sec. 7, NE¼, NE¼SE¼.

Sublette County 200.00 Acres

BUREAU LAND MANAGE[redacted] 1037 | W[redacted]-114042

[redacted] TO LEASE AND LEASE FOR [redacted] AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 *et seq.*), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Kafar Limited Partnership: by Gilman A. Hill, General Partner
   Street 7955 E. Arapahoe Court, Suite #3500
   City, State, Zip Code Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: WY *Parcel No.: 8810-623 *Sale Date (m/d/y): 10 / 3 / 88
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. R. Meridian 6th p.m. State Wyoming County Sublette

WYParcel No. 8810-623 From "Notice of Competative Lease Sale:"Sale Date: Oct. 3, 1988

Amount remitted: Filing fee $ 75.00 Rental fee $ 120.00 Total acres applied for 80.00
Total $ 195.00

DO NOT WRITE BELOW THIS LINE

. Land included in lease:

T. R. Meridian State County

248273

SEE ATTACHED

RECORDED Sept. 8, 19 94 8:00 AM
IN BOOK 98 046 PAGE 524
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

s lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to licable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal ers hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

TE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or ination and those specified on this form.

e and primary term of lease:

✓ Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by [signature]
ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION NOV 1 1988
(Title) (Date)

EFFECTIVE DATE OF LEASE DEC 1 1988

ntinued on reverse)

FOR LESSEE

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 3rd day of October, 19 88. Gilman A. Hill

For: Shama Kafar Limited Partnership

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1988 - 201-964 - 415/84760

[redacted] [redacted] [redacted]

WYW-114042

T. 31 N., R. 109 W., 6th PM, WY
sec. 34, W½SW¼.

Sublette County 80.00 Acres

527

BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS 1035 WY W-114052

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Kafar Limited Partnership: by Gilman A. Hill, General Partner
   Street 7955 E. Arapahoe Court, Suite #3500
   City, State, Zip Code Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: 8810-647 *Sale Date (m/d/y): 10 / 3 / 88
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian 6th p.m. State Wyoming County Sublette

WY Parcel No. 8810-647 From "Notice of Competative Lease Sale:"Sale Date: Oct. 3, 1988

Amount remitted: Filing fee $ 75.00 Rental fee $ 4,956.00 Total acres applied for 1303.69
Total $2031.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

248274

SEE ATTACHED

RECORDED Sept 8, 1994 8:20 AM
IN BOOK 98 046 PAGE 527
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Jacton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build nd maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to pplicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal rders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

OTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or omination and those specified on this form.

ype and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION (Title) NOV 1 1988 (Date)

EFFECTIVE DATE OF LEASE DEC 1 1988

...ued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

of any State or Territory [illegible] parties holding an interest in the offer are in compli[illegible] FR 3100 and the leasing authorities; (3) offeror's ch[illegible]ds, direct and indirect in either public domain or [illegible]s do not exceed 246,080 acres in Federal oil and g[illegible]e same State, of which not more than 200,000 acr[illegible]er option, or 300,000 acres in leases and 200,00[illegible]ons in either leasing District in Alaska; (4) offeror is [illegible]d a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 3rd day of October, 19 88. Gilman A. Hill

For: Shama Kafar Limited Partnership

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing [illegible] by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

s specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the ight to establish reasonable minimum values on products after giving lessee notice and an pportunity to be heard. When paid in value, royalties shall be due and payable on the last day f the month following the month in which production occurred. When paid in kind, production hall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises here produced without cost to lessor. Lessee shall not be required to hold such production storage beyond the last day of the month following the month in which production occurred, or shall lessee be held liable for loss or destruction of royalty oil or other products in storage om causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required r that lease year shall be payable at the end of each lease year beginning on or after a discovery paying quantities. This minimum royalty may be waived, suspended, or reduced, and the ove royalty rates may be reduced, for all or portions of this lease if the Secretary determines t such action is necessary to encourage the greatest ultimate recovery of the leased resources, is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance h the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). ssee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when h loss or waste is due to negligence on the part of the operator, or due to the failure to comply h any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

. 3. Bonds—A bond shall be filed and maintained for lease operations as required under ulations.

. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable gence in developing and producing, and shall prevent unnecessary damage to, loss of, or te of leased resources. Lessor reserves right to specify rates of development and production e public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 of notice, if deemed necessary for proper development and operation of area, field, or pool racing these leased lands. Lessee shall drill and produce wells necessary to protect leased s from drainage or pay compensatory royalty for drainage in amount determined by lessor.

5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, ater than 30 days after effective date thereof, any contract or evidence of other arrangement le or disposal of production. At such times and in such form as lessor may prescribe, lessee furnish detailed statements showing amounts and quality of all products removed and sold, eeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may equired to provide plats and schematic diagrams showing development work and ovements, and reports with respect to parties in interest, expenditures, and depreciation In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information ll surveys and tests, and a record of subsurface investigations and furnish copies to lessor required. Lessee shall keep open at all reasonable times for inspection by any authorized of lesso:, the leased premises and all wells, improvements, machinery, and fixtures thereon, l books, accounts, maps, and records relative to operations, surveys, or investigations n the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting s, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1958 - 201-964 - 415/84760

WYW-114052

T. 34 N., R. 110 W., 6th PM, WY
sec. 5, SW¼, SW¼SE¼;
6, SE¼SW¼, S½SE¼;
7, lots 3, 4, E½SW¼, SE¼.
T. 34 N., R. 111 W.,
sec. 1, SW¼SW¼;
2, S½NW¼, SW¼, S½SE¼;
11, S½.

Sublette County 1303.69 Acres

The undersigned (reverse) [redacted] lease all or any of the lands in Item 2 that are available [redacted] pursuant to the Mineral Leasing Act of 1920, as amended [redacted] ented (30 U.S.C. 181 et seq.), the Mineral L[redacted] Acquired Lands of 1947, as amended (30 U.S.C. 3[redacted] Attorney General's Opinion of April 2, 1941 (40 Op. [redacted] 1), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Liberty Petroleum Corporation
   Street: P.O.Box 20467, Columbus Circle Station
   City, State, Zip Code: New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* [X] PUBLIC DOMAIN LANDS [ ] ACQUIRED LANDS (percent U.S. interest _____)
   Surface Managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8810-660 *Sale Date (m/d/y): 10 / 3 / 88
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.	R.	Meridian	State	County

Amount remitted: Filing fee $ 75.00 Rental fee $ 720.00 Total acres applied for 480.00
Total $ 795.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

248275

SEE ATTACHED

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 O&G PAGE 530
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

[X] Noncompetitive lease (ten years)

[ ] Competitive lease (five years)

[ ] Other _____

THE UNITED STATES OF AMERICA

by _____

ANDREW L. TARSHIS (Signing Officer)
~~CHIEF, LEASING SECTION~~ (Title) DEC 12 1988 (Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

(Continued on reverse)

FOR LESSEE

531

(a) Check if signed certifies that (1) offeror is a citizen of the United States, an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 11th day of October, 19 88

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term, thereafter $2.00;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

- U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

WYW-[redacted] [redacted] [redacted]

T. 30 N., R. 111 W., 6th PM, WY
sec. 5, S½N½, S½.

Sublette County 480.00 Acres

533

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS 2116

Serial No. WY W-114058

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* [X] PUBLIC DOMAIN LANDS [ ] ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8810-661 *Sale Date (m/d/y): 10 / 3 / 88
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

Amount remitted: Filing fee $ 75.00 Rental fee $ 1,620.00 Total acres applied for 1080.00
Total $ 1,695.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

248276

SEE ATTACHED

RECORDED Sept 8, 19 94 8:00 AM
IN BOOK 98 046 PAGE 533
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

[X] Noncompetitive lease (ten years)

[ ] Competitive lease (five years)

[ ] Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)
ANDREW L. TARSHIS
CHIEF, LEASING SECTION (Title)
DEC 12 1988 (Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

(Continued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

of any State or Territory the[redacted]ities holding an interest in the offer are in compliance [redacted]2 3100 and the leasing authorities, (3) offeror's charge[redacted] direct and indirect in either public domain or n[redacted] do not exceed 246,080 acres in Federal oil and gas l[redacted] same State, of which not more than 200,000 acres are [redacted] option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualification concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 11th day of October, 19 88

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec 1 Rentals Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the fixed royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on all surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized representative of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-069 - 61278/760

WYW-114058

T. 31 N., R. 111 W., 6th PM, WY
sec. 10, SW¼;
14, E½, SE¼NW¼, SW¼;
15, N½NE¼, SW¼NE¼, SW¼, N½SE¼, SW¼SE¼.

Sublette County 1080.00 Acres

[redacted] TO LEASE AND LEASE FOR [redacted] AND GAS 1039 W [redacted] -114059

The undersigned (*reverse*) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Shama Kafar Limited Partnership: by Gilman A. Hill, General Partner
   Street: 7955 E. Arapahoe Court, Suite #3500
   City, State, Zip Code: Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested:
   *Parcel No.: 8810-662 *Sale Date (m/d/y): 10 / 3 / 88
   *SEE ITEM 3 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. R. Meridian 6th p.m. State Wyoming County Sublette

WY-Parcel No. 8810-662 From "Notice of Competitive Lease Sale:"Sale Date: Oct. 3, 1988

Amount remitted: Filing fee $ 75.00 Rental fee $ 1,980.00 Total acres applied for 1320.00
Total $ 2,055.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

248277

SEE ATTACHED

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Oct PAGE 536
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sactor

Total acres in lease _____
Rental retained $ _____

s lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to icable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal rs hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

E: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or ination and those specified on this form.

and primary term of lease:

oncompetitive lease (ten years)

mpetitive lease (five years)

her _____

ued on reverse)

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

ANDREW L. TARSHIS
CHIEF, LEASING SECTION (Title)

DEC 12 1988 (Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

FOR LESSEE

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice; and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 3rd day of October, 19 88. Gilman A. Hill

For: Shama Kafar Limited Partnership (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1988 - 201-964 - 415/84760

[redacted] [redacted] [redacted]

WYW-114059

T. 32 N., R. 111 W., 6th PM, WY
sec. 21, NE¼NE¼;
22, NW¼;
28, S½NW¼, SW¼, W½SE¼, SE¼SE¼;
33, E½;
34, W½, W½SE¼, SE¼SE¼.

Sublette County 1320.00 Acres

539

BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS 1034 | WY W-114060

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Kafar Limited Partnership: by Gilman A. Hill, General Partner
   Street 7955 E. Arapahoe Court, Suite #3500
   City, State, Zip Code Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: 8810-665 *Sale Date (m/d/y): 10 / 3 / 88
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. R. Meridian 6th p.m. State Wyoming County Sublette

WY-Parcel No. 8810-665 From "Notice of Competative Lease Sale:"Sale Date: Oct. 3, 1988

Amount remitted: Filing fee $ 75.00 Rental fee $ 3600.00 Total acres applied for 2400.00
Total $ 3675.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

248278

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Misc PAGE 539
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
ANDREW L. TARSHIS (Signing Officer)
CHIEF, [illegible] SECTION (Title)
NOV 3 1988 (Date)

EFFECTIVE DATE OF LEASE DEC 1 1988

(continued on reverse)

FOR LESSEE

of any State or Territory [redacted] of parties holding an interest in the offer are in compli[redacted] CFR 3100 and the leasing authorities; (3) offeror's e[redacted]ests, direct and indirect in either public domain [redacted]ds do not exceed 246,080 acres in Federal oil and [redacted] the same State, of which not more than 200,000 ac[redacted]der option, or 300,000 acres in leases and 200,0[redacted]options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 3rd day of October, 19 88. Gilman A. Hill

For: Shama Kafar Limited Partnership (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee will furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1988 - 201-944 - 15/84760

WYW-114060

T. 34 N., R. 111 W., 6th PM, WY
sec. 10, E½E½;
21, S½;
22, all;
23, N½N½SW¼, SE¼NE¼SW¼, SW¼NW¼SW¼,
NW¼SW¼SW¼, S½S½SW¼, NE¼SE¼SW¼, SE¼;
25, N½;
26, N½;
27, N½, NE¼SE¼.

Sublette County 2400.00 Acres

Form 3100-11
(June 1988)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

[redacted]

Serial No. [redacted] WY W-114062

OFFER TO LEASE AND LEASE FOR OIL AND GAS

2118

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1 Name Liberty Petroleum Corporation
Street P.O. Box 20467, Columbus Circle Station
City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
Surface managing agency if other than BLM: _____ Unit/Project _____
Legal description of land requested: *Parcel No.: WY-8810-674 *Sale Date (m/d/y): 10 / 3 / 88
***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

Amount remitted: Filing fee $ 75.00 Rental fee $ 1,920.00 Total acres applied for 1,280.00
Total $ 1,995.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

248279

SEE ATTACHED

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 476 PAGE 542
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION (Title)
DEC 12 1988 (Date)

EFFECTIVE DATE OF LEASE JAN 1 1989

(Continued on reverse)

FOR LESSEE

542

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 11th day of October, 19 88

LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

[redacted] [redacted] [redacted]

WYW-114062

T. 33 N., R. 112 W., 6th PM, WY
sec. 11, all;
12, all.

Sublette County 1280.00 Acres

545

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

---

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: WY-8812- 676 *Sale Date (m/d/y): 12 / 6 / 88

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

Amount remitted: Filing fee $ 75.00 Rental fee $ 3120.00 Total acres applied for 2080.00
Total $ 3195.00

*** **DO NOT WRITE BELOW THIS LINE**

---

3. Land included in lease:

T.	R.	Meridian	State	County

248280

SEE ATTACHED

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Misc PAGE 545
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

ANDREW L. TARSHIS
CHIEF, LEASING SECTION (Title)

JAN 25 1989 (Date)

EFFECTIVE DATE OF LEASE FEB 1 1989

(Continued on reverse)

FOR LESSEE

in either public domain [redacted] lands do not exceed 246,080 acres in Federal oil and [redacted] the same State, of which not more than 200,000 acre[redacted]der option, or 300,000 acres in leases and 200,[redacted] options in either leasing District in Alaska; (4) offeror i[redacted]ed a minor under the laws of the State in which the lan[redacted]y this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, this offer signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of December, 19 88.

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

WY-8812-676 2080.000 Acres

T.0340N, R.1110W, 06th PM, WY
sec. 005 NWSW;
010 NWNE,SWSE;
014 ALL;
015 E2,NENW,S2NW,SW;
021 N2;
023 N2;
028 N2NW;

Sublette County

[redacted]

Form 3100-11
(June 1988)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

C04756

Serial No. [redacted]

WY W04756

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8812-684 *Sale Date (m/d/y): 12 / 6 / 88
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248281

RECORDED Sept. 8, 1994 8:00 A M
IN BOOK 98 Q46 PAGE 548
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 960.00 Total acres applied for 640.00
Total $ 1035.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:
   T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____

ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION (Title)
JAN 25 1989 (Date)

EFFECTIVE DATE OF LEASE FEB 1 1989

(continued on reverse)

FOR LESSEE

548

549

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of December, 19 88. LIBERTY PETROLEUM CORPORATION By

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE: 1988 - 201-964 - 415/84760

[redacted] [redacted] [redacted]

114856

WY-8812--684 640.000 Acres

T.0330N, R.1120W, 06th PM, WY
sec. 013 ALL;

Sublette County

[redacted] [redacted] [redacted]

Form 3100-11
June 1988

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW 115609

OFFER TO LEASE AND LEASE FOR OIL AND GAS 4462

The undersigned (*reverse*) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8902-688 *Sale Date (m/d/y): 2 / 27 / 89
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.	R.	Meridian	State	County

248282

RECORDED Sept. 8, 1989 8:00 AM
IN BOOK 98 Q76 PAGE 551
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3454.50 Total acres applied for 2302.10
Total $ 3529.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

By _____
ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION (Title)
MAR 21 1989 (Date)

EFFECTIVE DATE OF LEASE APR 1 1989

(Continued on reverse)

FOR LESSEE

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 28th day of February, 19 89. By LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

WYW-115609 2302.180 Acres

T.0300N, R.1090W, 06th PM, WY
sec. 006 lots 7,14;
006 E2SW,N2SE;
007 lots 7-13;
007 SE;
008 lots 1,5;
008 SENE,S2;
009 ALL;
010 N2;
017 N2;

Sublette County

554

OFFER TO LEASE AND LEASE FOR OIL AND GAS WYW- 115616

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name SPIRIT LIFE
   Street P.O. Box 5036
   City, State, Zip Code Englewood, CO. 80155

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY8902-696 *Sale Date (m/d/y): 2 / 6 / 89
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. 30N R. 110W Meridian 06th P.M. State Wyoming County Sublette

Parcel No. WY8902-696

From: "Notice of Competitive Lease Sale"; Sale Date: Feb.6, 89

248283

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Of 6 PAGE 554
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2,722.50 Total acres applied for 1814.85
Total $ 2,797.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build nd maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to pplicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal rders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

OTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or omination and those specified on this form.

ype and primary term of lease:

(Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by _____

ANDREW L. TARSHIS (Signing Officer)

CHIEF, LEASING SECTION (Title) **MAR 21 1989** (Date)

EFFECTIVE DATE OF LEASE **APR 1 1989**

ntinued on reverse)

FOR LESSEE

in either public domain or [redacted] lands do not exceed 246,080 acres in Federal oil and ga[redacted] the same State, of which not more than 200,000 acres [redacted] der option, or 300,000 acres in leases and 200,00[redacted]tions in either leasing District in Alaska; (4) offeror i[redacted]ed a minor under the laws of the State in which the lan[redacted]y this offer are located; (5) offeror is in compliance [redacted] ations concerning Federal coal lease holdings provided in sec. 27(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of Feb., 19 89. Craig S. Hall

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage when such loss or destruction is without the fault or negligence of lessee or is due to circumstances beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on all surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized representative of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and books, accounts, maps, and records relative to operations, surveys, or investigations on or of the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

WYW-115616 1814.850 Acres

T.0300N, R.1100W, 06th PM, WY
sec. 001 lots 5-18;
001 S2SE;
002 lots 5-20;
003 lots 3-7,10;
010 lots 6;
015 lots 1;
034 SWNE,S2NW,S2;

Sublette County

[redacted] READ INSTRUCTI[redacted]N COMPLETING [redacted]

1. Name Gregor Klurfeld
Street 200 West 58 Street, Suite 10-A
City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* [X] PUBLIC DOMAIN LANDS [ ] ACQUIRED LANDS (percent U.S. interest _____)
Surface managing agency if other than BLM: _____ Unit/Project _____
Legal description of land requested: *Parcel No. WY-8902-697 *Sale Date (m/d/y): 2 / 27 / 89
*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
T. R. Meridian State County

248284

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 046 PAGE 557
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2370.00 Total acres applied for 1579.96
Total $ 2445.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: **This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.**

Type and primary term of lease:

[X] Noncompetitive lease (ten years)

[ ] Competitive lease (five years)

[ ] Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)
ANDREW L. TARSHIS
CHIEF, LEASING SECTION (Title)
MAR 21 1989 (Date)

EFFECTIVE DATE OF LEASE APR 1 1989

FOR LESSEE

(Continued on reverse)

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever, covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 28th day of February, 19 89

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

WYW-115617 1579.960 Acres

T.0300N, R.1100W, 06th PM, WY
sec. 003 lots 11-14;
004 lots 3,4;
004 S2NW,SW,W2SE;
005 lots 1-4;
005 S2N2,S2;
009 lots 2,3;
009 W2;

Sublette County

560

OFFER TO LEASE AND LEASE FOR OIL AND GAS [illegible] | WYW 115645

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gilman A. Hill
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood, CO 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY8902-698 *Sale Date (m/d/y): 2 / 6 / 89
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. 32N R. 110W Meridian 06th P.M. State Wyoming County Sublette

Parcel No. WY8902-698

From: "Notice of Competitive Lease Sale"; Sale Date: Feb. 6, 89

248285

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 D#6 PAGE 560
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,180.00 Total acres applied for 2120.00
Total $ 3,255.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

X Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)
ANDREW L. TARSHIS
CHIEF, LEASING SECTION (Title)

MAR 21 1989 (Date)

EFFECTIVE DATE OF LEASE APR 1 1989

FOR LESSEE

of any State or Territory t[redacted] parties holding an interest in the offer are in compli[redacted] FR 3100 and the leasing authorities; (3) offeror's cl[redacted]ests, direct and indirect in either public domain [redacted]ls do not exceed 246,080 acres in Federal oil and [redacted]e same State, of which not more than 200,000 ac[redacted]der option, or 300,000 acres in leases and 200,0[redacted]65 in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment of separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of February, 19 89. Gilman A. Hall

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized representative of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

WYW-115618 2120.000 Acres

T.032ON, R.110OW, 06th PM, WY

sec. 008 W2SW;
009 E2E2;
010 ALL;
011 W2E2,W2,SESE;
014 ALL;
017 NWSE;
025 NWNW;

Sublette County

(June 1988) [redacted] DEPARTMENT OF THE IN[redacted]OR
BUREAU OF LAND MANA[redacted]

4455 [redacted] 15621

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8902-706 *Sale Date (m/d/y): 2 / 27 / 89
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248286

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 Bk6 PAGE 563
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2760.00 Total acres applied for 1840.00
Total $ 2835.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____

ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION (Title)
MAR 21 1989 (Date)

EFFECTIVE DATE OF LEASE APR 1 1989

(Continued on reverse)

FOR LESSEE

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Fede al oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 28th day of February, 19 89. By LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

WYW-115621 1840.000 Acres

T.031ON, R.111OW, 06th PM, WY
sec. 022 NWNE,S2NE,W2,SE;
023 NE,NENW,S2NW,S2;
026 ALL;

Sublette County

(June 1985) 566

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

4454 | WYW- 1156222

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ✓ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-8902-707 *Sale Date (m/d/y): 2 / 27 / 89
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248287

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Of6 PAGE 516
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 1080.00 Total acres applied for 720.00
Total $ 1155.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

By: _____
ANDREW L. TARSHIS (Signing Officer)
CHIEF, LEASING SECTION (Title)
MAR 21 1989 (Date)

EFFECTIVE DATE OF LEASE APR 1 1989

(Continued on reverse)

FOR LESSEE

of any State or Territory [redacted] parties holding an interest in the offer are in compliance [redacted] FR 3100) and the leasing authorities; (3) offeror's chargeable [redacted] direct and indirect in either public domain [redacted] 's do not exceed 246,080 acres in Federal oil and gas [redacted] same State, of which not more than 200,000 acres [redacted] option, or 300,000 acres in leases and 200,0[redacted] ons in either leasing District in Alaska; (4) offeror is [redacted] a minor under the laws of the State in which the lands [redacted] by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act, and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 28th day of February, 19 89

LIBERTY PETROLEUM CORPORATION

By Gregor Klurfeld, President
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

U.S. GOVERNMENT PRINTING OFFICE 1988 - 201-964 - 415/84760

WYW-115622 720.000 Acres

T.033ON, R.111OW, 06th PM, WY
sec. 023 ALL;
032 S2SW;

Sublette County

The undersigned (reve [redacted] se all or any of the lands in Item 2 that are availabl[e] [redacted] rsuant to the Mineral Leasing Act of 1920, as amen[ded] [redacted] mented (30 U.S.C. 181 et seq.), the Mineral [redacted] Acquired Lands of 1947, as amended (30 U.S.C. [redacted] Attorney General's Opinion of April 2, 1941 (40 [redacted] 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gilman A. Hill
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood, CO 80112

---

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY8910-741 *Sale Date (m/d/y): 10 / 3 / 89
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. 30N R. 110W Meridian 06th P.M. State Wyoming County Sublette

Parcel No. WY8910-741 From: "Notice of Competitive Lease Sale"; Sale Date: Oct. 3, 1989

248288

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 D46 PAGE 569
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sutton

Amount remitted: Filing fee $ 75.00 Rental fee $ 240.00 Total acres applied for 160.00
Total $ 315.00

DO NOT WRITE BELOW THIS LINE

---

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build nd maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to pplicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal rders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

OTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or omination and those specified on this form.

ype and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by Theresa M. Stevens

ACTING (Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) NOV 06 1989 (Date)

EFFECTIVE DATE OF LEASE DEC 01 1989

ntinued on reverse)

FOR LESSEE

570

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 3rd day of October, 19 89. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

[redacted] [redacted] [redacted]

WIW118171 160.000 Acres
T.0300N, R.1100W, 06th PM, WY
sec. 033 N2N2;
Sublette County

572

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

4381

Serial No.
WYW118172

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No. WY-8910-742 *Sale Date (m/d/y): 10 / 3 / 89
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248289

RECORDED Sept 8, 1994 8:00A M
IN BOOK 98046 PAGE 572
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 1800.00 Total acres applied for 1200.00
Total $ 1875.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Theresa D. Stevens
ACTING (Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) NOV 06 1989 (Date)

EFFECTIVE DATE OF LEASE DEC 01 1989

(Continued on reverse)

FOR LESSEE

...n parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's cha[redacted]es, direct and indirect in either public domai[redacted]ds do not exceed 246,080 acres in Federal oil and y[redacted]e same State, of which not more than 200,000 acre[redacted]er option, or 300,000 acres in leases and 200[redacted]ons in either leasing District in Alaska; (4) offeror is [redacted]d a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with certifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 4th day of October, 19 89

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★U.S.GPO:1986-0-573-017/96032

WYW118172 1200.000 Acres
T.0320N, R.1100W, 06th PM, WY
sec. 025 E2, E2W2, SWNW, NWSW;
035 ALL;
Sublette County

Form 3109-11
(June 1988)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTE[redacted]
BUREAU OF LAND MANAGEMENT

Serial No [redacted]
WYW118866

OFFER TO LEASE AND LEASE FOR OIL AND GAS 42223

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
Street P.O. Box 20467, Columbus Circle Station
City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: (Check only One) ✓ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
Surface managing agency if other than BLM: _____ Unit/Project _____
Legal description of land requested: *Parcel No. WY-8912-482 *Sale Date (m/d/y): 12 / 5 / 89
*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
T. R. Meridian State County

248290

RECORDED Sept 8, 19 94 8:00AM
IN BOOK 98 10+6 PAGE 575
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 903.00 Total acres applied for 601.21
Total $ 978.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease

T R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

✓ Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by Doris M. Miller
(Signing Officer)
FOR SUPERVISORY LAND LAW EXAMINER DEC 29 1989
(Title) (Date)

EFFECTIVE DATE OF LEASE JAN 1 1990

(Continued on reverse)

FOR LESSEE

576

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities. (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of December, 19 89.

LIBERTY PETROLEUM CORPORATION

By _____

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552)

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573-017/96009

[redacted] [redacted] [redacted]

WYW118866 601.210 Acres
T.0320N, R.1100W, 06th PM, WY
sec. 030 lots 1-4;
030 E2,E2W2;
Sublette County

No Pg 578.

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9002-565 *Sale Date (m/d/y): 2 / 6 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248291

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 Misc 6 PAGE 579
FEES 12.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Soxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 337.50 Total acres applied for 224.86
Total $ 412.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J. Poteet
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) FEB 26 1990 (Date)

EFFECTIVE DATE OF LEASE MAR 01 1990

(Continued on reverse)

FOR LESSEE

or any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's cha[redacted]ests, direct and indirect in either public domai[redacted]nds do not exceed 246,080 acres in Federal oil and g[redacted] the same State, of which not more than 200,000 acr[redacted]der option, or 300,000 acres in leases and 200,[redacted]tions in either leasing District in Alaska; (4) offeror i[redacted]ed a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 11th day of February, 19 90. By LIBERTY PETROLEUM CORPORATION
Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★U.S.GPO:1988-0-573-017/98032

WYW119474 224.860 Acres
T.0300N, R.1100W, 06th PM, WY
sec. 010 LOTS 3;
012 LOTS 6-8;
012 SESE;
015 LOTS 9;
015 M&B BED OF NEW FORK
015 RIV RIPR TO LOT 9;
022 LOTS 1;
022 M&B BED OF NEW FORK
022 RIV RIPR TO LOT 1;
029 LOTS 7;
030 LOTS 7;
T.0310N, R.1100W, 06th PM, WY
sec. 034 LOTS 8;
034 M&B BED OF GREEN RIV
034 RIPR TO LOT 8;
(SEE NEXT PAGE FOR M&B)
Sublette County

Lo[redacted]c 22, T 30 N., R 110 W, 6th[redacted] Mer, WY, described as foll[redacted]

Beginning at the meander corner to fractional Secs 14 & 15 on the left bank of the New Fork River, thence with the meanders down stream, S 32½° W 5.50 chs; thence S 9¼° E 8.50 chs; thence S 11°37' E 3.78 chs to the meander corner to fractional Secs 15 & 22 on the left bank of the New Fork River; thence with the meanders in Sec 22 downstream along the left bank of the New Fork River, S 37°55' E 1.29 chs to the meander corner to fractional Secs 22 & 23; thence southwesterly 3.50 chs, along a normal run from the meander corner to fractional Secs 22 & 23 on the left bank of the New Fork River perpendicular to the medial line; thence upstream along said medial line to the point of intersection of said medial line and a normal run from the meander corner to fractional Secs 14 & 15 on the left bank of the New Fork River perpendicular to said medial line; thence southeasterly 3.50 chs, along said normal to the meander corner to fractional Secs 14 & 15 on the left bank of the New Fork River, the point of beginning, containing 6.00 acres.

That portion of the Bed of the Green River riparian to Lot 8, Sec 34, T 31 N, R 110 W, 6th Prin Mer, WY, described as follows:

Beginning at the meander corner to fractional Secs 3 & 34 on the south boundary to T 31 N, R 110 W, on the left bank of the Green River, thence with the meanders upstream, N 42° E 8.00 chs; thence N 76 3/4° E 5.00 chs; thence S 53° E 6.00 chs; thence N 51½° E 9.00 chs; thence N 10° E 9.50 chs to the intersection of the north line of Lot 8 and the left bank of the Green River; thence westerly 5.50 chs along a normal run from the point of intersection of the north line of Lot 8 and the left bank of the Green River perpendicular to the medial line of the Green River, to the point of intersection of said normal and said medial line; thence downstream along said medial line to the point of intersection of said medial line and a normal run from the meander corner to fractional Secs 3 & 34 on the south boundary to T 31 N, R 110 W, on the left bank of the Green River perpendicular to said medial line; thence easterly 2.50 chs along said normal to the meander corner to fractional Secs 3 & 34 on the south boundary to T 31 N, R 110 W, on the left bank of the Green River, the point of beginning, containing 10.56 acres.

(June 1985)

583

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

00283

Serial No.
WYW121680

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9008-454 *Sale Date (m/d/y): 8 / 7 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. 30, 31 N R. 110 W Meridian 6th State Wy County Sublette

248292

RECORDED Sept 8, 19 94 8:00 AM
IN BOOK 98 Misc PAGE 583
FEES 18.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 196.50 Total acres applied for 130.47
Total $ 271.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis (Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title)

AUG 30 1990 (Date)

EFFECTIVE DATE OF LEASE SEP 01 1990

(Continued on reverse)

FOR LESSEE

(a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of citizens, a municipality; or a corporation organized [redacted] of the United States or of any State or Territ[redacted]) all parties holding an interest in the offer are in comp[redacted] CFR 3100 and the leasing authorities; (3) offeror's [redacted] interests, direct and indirect in either public domai[redacted] lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 8th day of August, 19 90.

LIBERTY PETROLEUM CORPORATION

By _____

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

ec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under egulations.

ec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable ligence in developing and producing, and shall prevent unnecessary damage to, loss of, or aste of leased resources. Lessor reserves right to specify rates of development and production the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 ys of notice, if deemed necessary for proper development and operation of area, field, or pool nbracing these leased lands. Lessee shall drill and produce wells necessary to protect leased nds from drainage or pay compensatory royalty for drainage in amount determined by lessor.

c. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, later than 30 days after effective date thereof, any contract or evidence of other arrangement sale or disposal of production. At such times and in such form as lessor may prescribe, lessee ll furnish detailed statements showing amounts and quality of all products removed and sold, ceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may required to provide plats and schematic diagrams showing development work and provements, and reports with respect to parties in interest, expenditures, and depreciation ts. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information well surveys and tests, and a record of subsurface investigations and furnish copies to lessor en required. Lessee shall keep open at all reasonable times for inspection by any authorized cer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, all books, accounts, maps, and records relative to operations, surveys, or investigations r in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting rds, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

WYW121680 130.470 Acres
T.0300N, R.1100W, 06th PM, WY
sec. 003 M&B BED OF GREEN RIV
003 RIPR TO LOTS 4-7,10;
009 M&B BED OF GREEN RIV
009 RIPR TO LOTS 2,3,5;
010 M&B BED OF GREEN RIV
010 RIPR TO LOTS 3,6;
015 M&B BED OF GREEN RIV
015 RIPR TO LOTS 1-3;
T.0310N, R.1100W, 06th PM, WY
sec. 021 M&B BED OF GREEN RIV
021 RIPR TO LOTS 3-6,8;
027 M&B BED OF GREEN RIV
027 RIPR TO LOT 4;
as described on
the attached metes and bounds.
Sublette County

T. 30 N., R. 110 W., 6th P. M. Wyoming

That portion of the bed of the Green River riparian to Lots 4, 5, 6, and 7, in Section 3, containing 26.50 acres, more or less.

That portion of the bed of the Green River riparian to Lot 10, in Section 3, containing 5.03 acres, more or less.

That portion of the bed of the Green River riparian to Lots 2 and 3, in Section 9, containing 10.88 acres, more or less.

That portion of the bed of the Green River riparian to Lot 5, in Section 9, containing 9.60 acres, more or less.

That portion of the bed of the Green River riparian to Lot 3, in Section 10, containing 3.94 acres, more or less.

That portion of the bed of the Green River riparian to Lot 6, in Section 10, and Lots 1, 2, 3 in Section 15, containing 33.45 acres, more or less.

T. 31 N., R. 110 W., 6th P. M., Wyoming

That portion of the bed of the Green River riparian to Lot 4, in Section 27, containing 3.36 acres, more or less.

That portion of the bed of the Green River riparian to Lots 3, 4, 5, 6 and 8 in Section 21, containing 37.71 acres, more or less.

More particulary described by Metes and Bounds as follows:
That portion of the bed of the Green River riparian to Lots 4, 5, 6, and 7, in Section 3, T. 30 N., R. 110 W., 6th P. M., Wyoming, more particularly described as follows: Beginning at the meander corner to fractional sections 3 and 34 on the north boundary of the township, on the left bank of the Green River, thence with the meanders downstream, S. 27° E. 15.49 chains; thence S. 16-3/4° W. 7.00 chains; thence S. 63-3/4° W., 14.00 chains; thence S. 13-1/2° E. 6.50 chains; thence S. 10-3/4° E. 6.00 chains; thence S. 13-3/4° E. 7.00 chains; thence S. 10-3/4° E. 1.80 chains; thence S. 59-1/4° E. 10.50 chains; thence S. 40-1/2° E. 10.00 chains, more or less to the point of intersection of the south line of Lot 7 and the left bank of the Green River; thence westerly 6.50 chains, more or less, along a normal run from the point of intersection of the south line of Lot 7 and the left bank of the Green River perpendicular to the medial line of the Green River, to the point of intersection of said normal and said medial line; thence upstream along said medial line to the point of intersection of said medial line and a normal run from the point of intersection of the west line of Lot 5 and the right bank of the Green River perpendicular to said medial line; thence westerly 2.00 chains, more or less, along said normal to the point of intersection of the west line of Lot 5 and the right bank of the Green River; thence with the meanders upstream along the right bank of the Green River, N. 67-1/2° E. 11.00 chains; thence N. 12° E. 5.70 chains; thence N. 56-1/4° W. 6.00 chains; thence N. 35-3/4° W. 4.40 chains; thence N. 14°35'E. 5.57 chains to the meander corner to fractional sections 3 and 34 on the right bank of the Green River; thence east 3.00 chains, more or less, along the north boundary of the township to the meander corner to fractional sections 3 and 34 on the left bank of the Green River, the point of beginning, containing 26.50 acres, more or less.

That portion of the bed of the Green River riparian to Lot 10, in Section 3, T. 30 N., R. 110 W., 6th P. M., Wyoming, more particularly

described as follows: Beginning at the meander corner to fractional sections 3 and 10 on the left bank of the Green River, thence with the meanders upstream, N. 54-1/2° E. 2.00 chains; thence N. 76° E. 12.00 chains; thence N. 54-3/4° E. 5.00 chains, more or less, to the point of intersection of the east line of Lot 10 and the left bank of the Green River; thence westerly 7.00 chains, more or less, along a normal run from the point of intersection of the east line of Lot 10 and the left bank of the Green River perpendicular to the medial line of the Green River, to the point of intersection of said normal and said medial line; thence downstream along said medial line to the point of intersection of said medial line and a normal run from the meander corner to fractional sections 3 and 10 on the left bank of the Green River perpendicular to said medial line; thence southerly 2.50 chains, more or less, along said normal to the meander corner to fractional sections 3 and 10 on the left bank of the Green River, the point of beginning, containing 5.03 acres, more or less.

That portion of the bed of the Green River riparian to Lots 2 and 3, in Section 9, T. 30 N., R. 110 W., 6th P. M., Wyoming, more particularly described as follows: Beginning at the meander corner to fractional sections 4 and 9 on the right bank of the Green River, thence with the meanders downstream, S. 53°58' W. 2.58 chains; thence S. 24-1/4° W. 19.00 chains; thence S. 5-1/2° E. 14.00 chains; thence S. 37° E. 9.00 chains, more or less, to the point of intersection of the south line of Lot 3 and the right bank of the Green River; thence northeasterly 5.00 chains, more or less, along a normal run from the point of intersection of the south line of Lot 3 and the right bank of the Green River perpendicular to the medial line of the Green River, to the point of intersection of said normal and said medial line; thence upstream along said medial line to the point of intersection of said medial line and the north line of section 9; thence west 5.00 chains, more or less to the meander corner to fractional sections 4 and 9 on the right bank of the Green River, the point of beginning, containing 10.88 acres, more or less.

That portion of the bed of the Green River riparian to Lot 5, in Section 9, T. 30 N., R. 110 W., 6th P. M., Wyoming, more particularly described as follows: Beginning at the meander corner to fractional Sections 9 and 10 on the left bank of the Green River, thence with the meanders downstream, S. 54°40' W. 6.26 chains; thence S. 28-1/4° W. 7.00 chains: thence S. 35-1/2° E. 14.50 chains to the meander corner to frac-tional sections 9 and 10 on the left bank of the Green River; thence south 2.00 chains, more or less, along the east line of Section 9 to the point of intersection of the east line of Section 9 and the medial line of the Green River; thence upstream along said medial line to the point of intersection of said medial line and the east line of Section 9: thence south 2.00 chains, more or less, along the east line of section 9 to the meander corner to fractional sections 9 and 10 on the left bank of the Green River, the point of beginning, containing 9.60 acres, more or less.

That portion of the bed of the Green River riparian to Lot 3, in Section 10, T. 30 N., R. 110 W., 6th P. M., Wyoming, more particularly described as follows: Beginning at the meander corner to fractional sections 9 and 10 on the right bank of the Green River, thence with the meanders downstream, S. 40-1/4° E. 4.50 chains; thence S. 12-1/2° W. 3.40 chains; thence S. 37-3/4° W. 3.50 chains to the meander corner to fractional sections 9 and 10 on the right bank of the Green River; thence south 2.00 chains, more or less, along the west line of section 10 to the point of intersection of the west line of section 10 and the medial line of the Green River; thence upstream along said medial line to the point of intersection of said medial line and the west line of Section 10; thence south along the west line of Section 10 to the meander corner to fractional sections 9 and 10 on the right bank of the Green River, the point of beginning, containing 3.94 acres, more or less.

That portion of the bed of the Green River riparian to Lot 6 in Section 10; and Lots 1, 2, and 3, in Section 15, T. 30 N., R. 110 W., 6th P. M., Wyoming, more particularly described as follows: Beginning at the meander corner to fractional sections 9 and 10 on the right bank of the Green River, thence with the meanders downstream, S. 49-1/2° E. 5.67 chains; thence S. 29-3/4° E. 6.50 chains to the meander corner to fractional sections 10 and 15 on the right bank of the Green River;

Thence with the meanders in Section 15 downstream along the right bank of the Green River, S. 12° 42'W. 16.66 chains; thence S. 3/4° W. 7.90 chains; thence S. 70° E. 10.40 chains; thence S. 16-1/4° E. 3.70 chains; thence S. 61° W. 10.00 chains; thence S. 31° W. 5.00 chains; thence S. 17-3/4° W. 9.40 chains; thence S. 11-3/4° E. 4.00 chains; thence S. 2-3/4° W. 5.40 chains; thence S. 9-1/4° W. 6.00 chains to the meander corner to fractional sections 15 and 16 on the right bank of the Green River; thence south 3.50 chains, more or less, along the west line of Section 15 to the medial line of the Green River; thence upstream along said medial line to the point of intersection of said medial line and a normal run from the point of intersection of the east line of Lot 1 in Ssection 15 and the left bank of the Green River perpendicular to said medial line; thence easterly 3.50 chains, more or less, along said normal to the point of intersection of the east line of Lot 1 in Section 15 upstream along the left bank of the Green River, N. 70-3/4° W. 4.00 chains, more or less, thence N. 41-1/4°W. 11.50 chains; thence N. 21-1/4° E. 8.00 chains; thence N. 8°34' W. 5.59 chains to the meander corner to fractional sections 10 and 15 on the left bank of the Green River; thence west 2.00 chains, more or less, along the north line of Section 15 to the point of intersection of the north line of Section 15 and the medial line of the Green River; thence upstream along said medial line to the point of intersection of said medial line and the west line of Section 10 thence south along the west line of Section 10 to the meander corner to fractional sections 9 and 10 on the right bank of the Green River, the point of beginning, containing 33.45 acres, more or less.

That portion of the bed of the Green River riparian to Lot 4, in Section 27, T. 31 N., R. 110 W., 6th P. M., Wyoming, more particularly described as follows: Beginning at the point of intersection of the north line of Lot 4 and the left bank of the Green River, thence with the meanders downstream, S. 30-1/4° E. 17.00 chains, more or less, to the point of intersection of the east line of Lot 4 and the left bank of the Green River; thence westerly 2.50 chains, more or less, along a normal run from the point of intersection of the east line of Lot 4 and the left bank of the Green River perpendicular to the medial line of the Green River, to the point of intersection of said normal and said medial line; thence upstream along said medial line to the point of intersection of said medial line and a normal run from the point of intersection of the north line of Lot 4 and the left bank of the Green River perpendicular to said medial line; thence easterly 1.50 chains, more or less, along said normal to the point of intersection of the north line of Lot 4 and the left bank of the Green River, the point of beginning, containing 3.36 acres, more or less.

That portion of the bed of the Green River riparian to Lots 3, 4, 5, 6, and 8, in Section 21, T. 31 N., R. 110 W., 6th P. M., Wyoming, more particularly described as follows: Beginning at the meander corner to fractional sections 16 and 21 on the right bank of the Green River, thence with the meanders donwstream, S.28-3/4° E. 6.65 chains; thence S. 85-3/4° E. 4.50 chains; thence N. 71-3/4°E. 4.00 chains; thence N. 77-3/4°E. 5.00 chains; thence S. 70° E. 5.00 chains; thence S. 18-1/4° W. 7.00 chains; thence S. 14° E. 5.00 chains; thence S. 34° E. 5.00 chains; thence S. 54-1/2° E. 1.00 chains; thence S. 62° E. 1.50 chains; thence S. 89-1/2° E. 6.50 chains; thence S. 36° E. 3.50 chains; thence S. 6° E. 5.00 chains; thence S. 441/2° W. 4.00 chains; thence S. 30-1/2° E. 8.50 chains; thence S. 33-1/2° E. 10.00 chains; thence S. 23°

W. 9.00 chains; thence S. 13-1/2° W. 5.50 chains, more or less to the point of intersection of the south line of Lot 8 and the right bank of the Green River; thence easterly 3.50 chains, more or less, along a normal run from the point of intersection of the south line of Lot 8 and the right bank of the Green River perpendicular to the medial line of the Green River, to the point of intersection of said normal and said medial line; thence upstream along said medial line to the point of intersection of said medial line and a normal vun from the meander corner to fractional sections 16 and 21 on the left bank of the Green River perpendicular to said medial lin; thence northerly 2.00 chains, more or less, along said normal to the meander corner to fractional sections 16 and 21 on the left bank of the green river; thence with the meanders upwtream, along the left bank of the Green RIver, S. 64-1/2° W. 3.30 chains; thence N. 64° 58'W. 3.69 chains to the meander corner to fractional sections 16 and 21 on the left bank of the Green River; thence west 4.00 chains, more or less, along the north line of section 21 to the meander corner to fractional sections 16 and 21 on the right bank of the Green River, the point of beginning, containing 37.71 acres, more or less.

BUREAU OF LAND MANAGE[redacted] 4430 WY[redacted]1681

[redacted]ER TO LEASE AND LEASE FO[redacted] AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9008-455 *Sale Date (m/d/y): 8 / 7 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248293

RECORDED Sept. 8, 1994 8:00A M
IN BOOK 98 046 PAGE 590
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2343.00 Total acres applied for 1561.75
Total $ 2418.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

By Pamela J. Lewis
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER
(Title)

AUG 30 1990
(Date)

EFFECTIVE DATE OF LEASE SEP 01 1990

(continued on reverse)

FOR LESSEE

591

of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 8th **day of** August , **19** 90 .

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988–573-017/96009

[redacted] [redacted] [redacted]

WYW121681 1561.750 Acres
T.0300N, R.1100W, 06th PM, WY
sec. 031 LOTS 2-5,7-10,12;
031 E2E2;
032 ALL;
033 S2N2,S2;
Sublette County

Form 3100-11
(June 1988)

593

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

06256

Serial No.

WYW121684

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9008-468 *Sale Date (m/d/y): 8 / 7 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248294

RECORDED Sept 8 1994 8:00AM
IN BOOK 98 Misc PAGE 593
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Salton

Amount remitted: Filing fee $ 75.00 Rental fee $ 1318.50 Total acres applied for 878.69
Total $ 1393.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease 798.69
Rental retained $ 1198.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: **This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.**

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis (Signing Officer) AUG 30 1990

SUPERVISORY LAND LAW EXAMINER (Title)

EFFECTIVE DATE OF LEASE SEP 01 1990 (Date)

(Continued on reverse)

FOR LESSEE

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an associa[redacted] citizens; a municipality; or a corporation organized u[redacted] of the United States or of any State or Territor[redacted] all parties holding an interest in the offer are in compl[redacted] CFR 3100 and the leasing authorities; (3) offeror's cha[redacted]ests, direct and indirect in either public domain[redacted] lands do not exceed 246,080 acres in Federal oil and ga[redacted] leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 8th. day of August, 19 90.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988–573-017/96009

WYW121684 798.690 Acres
T.0300N, R.1110W, 06th PM, WY
sec. 006 LOTS 1-4;
009 ALL;
Sublette County

(June 1985) [redacted] DEPARTMENT OF THE INTERIOR [redacted] 257

BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

[redacted] WYW121685

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9008- 469 *Sale Date (m/d/y): 8 / 7 / 90
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. R. Meridian State County

248293

RECORDED Sept. 8 1994 8:00 AM
IN BOOK 98 Ox6 PAGE 596
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 1140.00 Total acres applied for 760
Total $ 1215.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by James J. Lewis (Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) AUG 30 1990 (Date)

EFFECTIVE DATE OF LEASE SEP 01 1990

(Continued on reverse)

FOR LESSEE

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 8th day of August, 19 90

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

[redacted] [redacted] [redacted] W[redacted] 21685

WYW121685 760.000 Acres
T.034ON, R.111OW, 06th PM, WY
sec. 007 NENE;
009 SWNE,S2NW;
018 E2W2,NESE,S2SE;
019 NE,E2NW,NESE;
T.035ON, R.112OW, 06th PM, WY
sec. 034 SENE;
Sublette County

BUREAU OF LAND MANAGEMENT 599

OFFER TO LEASE AND LEASE FOR OIL AND GAS 4117

WYW122965

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street P.O. Box 20467, Columbus Circle Station
   City, State, Zip Code New York, NY 10023

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9012-415 *Sale Date (m/d/y): 12 / 4 / 90
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248296
248296

RECORDED Sept. 8, 1994 8:00A M
IN BOOK 98076 PAGE 599
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2878.50 Total acres applied for 1918.84
Total $ 2953.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title)

DEC 31 1991 (Date)

EFFECTIVE DATE OF LEASE JAN 01 1991

FOR

(Continued on reverse)

[redacted] offeror is a citizen of the United States, an associa[redacted]itizens; a municipality, or a corporation organized u[redacted] of the United States or of any State or Territor[redacted] all parties holding an interest in the offer are in compli[redacted] CFR 3100 and the leasing authorities; (3) offeror's cha[redacted]ests, direct and indirect in either public domai[redacted] lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of December, 19 90.

LIBERTY PETROLEUM CORPORATION

By Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573 017/96009

WYW122965 1918.840 Acres
T.033ON, R.111OW, 06th PM, WY
sec. 011 N2NW;
018 LOTS 1,2;
018 E2NW;
022 N2,SW,W2SE;
027 W2NE,SENE,W2,SE;
030 NE;
032 NWNW;
035 E2;
Sublette County

(June 1988)

[redacted]

BUREAU OF LAND MANAGE[redacted]

WY [redacted]3476

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No. WY-9102-372 *Sale Date (m/d/y): 2 / 5 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248297

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 076, PAGE 602
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3532.50 Total acres applied for 2354.48
Total $ 3607.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Chuplin A. Lovell
(Signing Officer)

for SUPERVISORY LAND LAW EXAMINER MAR 05 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE APR 01 1991

[redacted] ASSIGNEE

(Continued on reverse)

602

603

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th **day of** February , **19** 91 .

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

[redacted]76 2354.480 Acres [redacted] [redacted]
T.0300N, R.1100W, 06th PM, WY
sec. 007 LOTS 1-4;
007 NE,E2W2;
008 ALL;
017 ALL;
018 LOTS 1-4;
018 E2,E2W2;
Sublette County

605

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS 00535

WYW162405

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9104-456 *Sale Date (m/d/y): 4 / 2 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248298

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Of 46 PAGE 605
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,835.50 Total acres applied for 2,556.16
Total $ 3,910.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:
   T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) APR 22 1991 (Date)

EFFECTIVE DATE OF LEASE MAY 01 1991

(Continued on reverse)

FOR LESSEE

(a) [redacted] ities holding an interest in the offer are in compliance [redacted] lic Land and the leasing authorities; (3) offeror's charge [redacted], direct and indirect either public domain or [redacted] do not exceed 246,080 acres in Federal oil and gas [redacted] same [redacted], of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 3rd day of April, 19 91

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalty shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the fixed royalty rates may be reduced, for all or portions of this lease if the Secretary determines such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on all surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized representative of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

WYW124075 2556.160 Acres
T.0310N, R.1110W, 06th PM, WY
sec. 017 ALL;
018 LOTS 1-4;
018 E2,E2W2;
020 ALL;
021 ALL;
Sublette County

(June 1988)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

00370 | WYW[redacted]4623

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: (Check only One) ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9106-489 *Sale Date (m/d/y): 6 / 4 / 91
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.	R.	Meridian	State	County

248299

RECORDED Sept. 8, 19 94 8:00A M
IN BOOK 98046 PAGE 608
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3634.50 Total acres applied for 2422.70
Total $ 3709.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

4. Type and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by Beverly J Potter
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) JUN 28 1991 (Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

(Continued on reverse)

FOR LESSEE

of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 C.F.R. 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act, and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of June, 19 91

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals – Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties – Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds – A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage – Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection – Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations – Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short-term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium – Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property – Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity. Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default. If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

WIW124623 2422.700 Acres
T.0300N, R.1090W, 06th PM, WY
sec. 003 LOTS 4;
003 S2NW,SW,SWSE;
004 LOTS 1-3;
004 S2NE,SENW,S2;
005 LOTS 2-5;
005 S2NW,NWSW,SESE;
006 LOTS 8-13;
006 S2NE;
T.0310N, R.1090W, 06th PM, WY
sec. 032 LOTS 5;
032 SWNE,W2,W2SE;
033 LOTS 4,7;
033 E2,E2NW;
Sublette County

1495.00 ac

927.605 ac

611

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

WYW124624

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9106-485 *Sale Date (m/d/y): 6 / 4 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248300

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 046 PAGE 611
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,840.00 Total acres applied for 2560.00
Total $ 3,915.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J Poteet
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER
(Title)

JUN 28 1991
(Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

FOR LESSEE

(Continued on reverse)

of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chi[redacted]ns, direct and indirect, in either public domain [redacted]ds do not exceed 246,080 acres in Federal oil and g[redacted] the same State of which not more than 200,000 acres [redacted]er option, or 300 acres in leases and 200,0[redacted]ptions in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of June, 19 91

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals- Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds--A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage. Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection.--Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations--Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium.--Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property. Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity. Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States, accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default. If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988 - 573 017/96009

WYW124624 2560.000 Acres
T.0300N, R.1090W, 06th PM, WY
sec. 015 ALL;
017 S2;
020 ALL;
021 ALL;
022 W2;
Sublette County

Form 3110-11
(June 1988)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERI[redacted]
BUREAU OF LAND MANAGEME[redacted]

00372

WYW[redacted]625

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
Street 200 West 58 Street, Suite 10-A
City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: (Check only One) ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
Surface managing agency if other than BLM: _____ Unit/Project _____
Legal description of land requested: *Parcel No.: WY-9106-486 *Sale Date (m/d/y): 6 / 4 / 91
*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.	R.	Meridian	State	County

248301

RECORDED Sept. 8 1994 8:20 AM
IN BOOK 98 O&G PAGE 614
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 1920.00 Total acres applied for 1280.00
Total $ 1995.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by Beverly J. Poteet
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER JUN 28 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

(continued on reverse)

FOR LESSEE

of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of June, 19 91

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals.--Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on of before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties.—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds.—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage.—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection.—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations.—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights of way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations.—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium.—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property.--Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default.--If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in interest.—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office 1988 - 573 017/96009

[redacted] [redacted] [redacted]

WYW124625 1280.000 Acres
T.0300N, R.1090W, 06th PM, WY
sec. 022 E2;
023 ALL;
024 N2;
Sublette County

Form 3100-11
(June 1988)

617

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

00344

Serial No.
WYW124628

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9106-490 *Sale Date (m/d/y): 6 / 4 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248302

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 980 PAGE 617
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 1,920.00 Total acres applied for 1280.00
Total $ 1,995.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J. Pearce
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER
(Title)

JUN 28 1991
(Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

(Continued on reverse)

FOR LESSEE

[redacted] [redacted] [redacted]

of any State or Territory [redacted] parties holding an interest in the offer are in compliance [redacted] FR 3100 and the leasing authorities, (3) offeror's chain [redacted] sts, direct and indir[illegible] in either public domain o[redacted]ds do not exceed 246,080 acres in Federal oil and g[redacted]he same State, of which not more than 200,000 acres [redacted]er option, or 300,0[illegible] acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of June, 19 91

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties - Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage - Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection - Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations - Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations - To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium - Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property - Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity - Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease - As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises - At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default - If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in interest - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office 1988 - 573 017/96009

WYW124628 1280.000 Acres
T.0300N, R.1100W, 06th PM, WY
sec. 024 ALL;
025 ALL;
Sublette County

(June 1988)

[redacted] DEPARTMENT OF THE INTE[redacted]
BUREAU OF LAND MANAGE[redacted]

OXY

WY W[redacted]629

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name United Oil Corporation
   Street 185 Candlewood Path, c/o Charles E. Brockner, Jr.
   City, State, Zip Code Dix Hills, NY 11746

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9106- 491 *Sale Date (m/d/y): 6 / 4 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248303

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 O76 PAGE 620
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 1,920.00 Total acres applied for 1280
Total $ 1,995.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J. Potter
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) JUN 28 1991 (Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

(Continued on reverse)

FOR LESSEE

620

621

4 (a) Undersigned certifies that (1) offeror is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of June, 19 91

UNITED OIL CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00,
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties - Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage - Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations - Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights of way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium - Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property. Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity - Lessee shall, pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default - If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573 017/96009

[redacted] [redacted] [redacted]

WYW124629 1280.000 Acres
T.0300N, R.1100W, 06th PM, WY
sec. 026 ALL;
035 ALL;
Sublette County

(June 1988) UNITED STATES 623

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

00369

Serial No.
WYW124630

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9106- 492 *Sale Date (m/d/y): 6 / 4 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248304

RECORDED Sept. 8, 1994 8:00A M
IN BOOK 98 076 PAGE 623
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,486.00 Total acres applied for 2323.04
Total $ 3,561.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J. Potter
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER JUN 28 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

(Continued on reverse)

FOR LESSEE

(c) (a) Undersigned certifies that (1) offeror is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory [redacted] all parties holding an interest in the offer are in compliance [redacted] CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect in either public domain [redacted] lands do not exceed 246,080 acres in Federal oil and gas [redacted] the same State, of which not more than 200,000 acres are under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of June, 19 91

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties.—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations.—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights of way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations.—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium.—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in interest.—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573-017/96009

WYW124630 2323.040 Acres
T.0310N, R.1100W, 06th PM, WY
sec. 019 LOTS 1-4;
019 E2,E2W2;
T.0310N, R.1110W, 06th PM, WY
sec. 002 SWNW,NWSW;
011 S2NW;
013 S2N2,N2SW,SESW,SE;
024 ALL;
025 N2,NWSW,N2SE,SESE;
Sublette County

Form 3100-11
(June 1988)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTER[redacted]
BUREAU OF LAND MANAGEMENT

Serial No. [redacted] WYW124634

OFFER TO LEASE AND LEASE FOR OIL AND GAS 00381

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ✓ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No. WY-9106-4-97 *Sale Date (m/d/y): 6 / 4 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248305

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Q46 PAGE 626
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2937.00 Total acres applied for 1957.98
Total $ 3012.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by: Beverly J. Patent
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) JUN 28 1991 (Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

(continued on reverse)

FOR LESSEE

626

of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities, (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5th day of June, 19 91.

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573 017/96009

[redacted]634 1957.980 Acres
T.0300N, R.1110W, 06th PM, WY
Sec. 001 LOTS 1-4;
001 S2N2,S2;
002 LOTS 1-4;
002 S2N2,S2;
012 ALL;
013 NWNW;
Sublette County

629

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

02169

Serial No.
WYW124636

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9106- 499 *Sale Date (m/d/y): 6 / 4 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248306 RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 OF 6 PAGE 1029
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,360.00 Total acres applied for 2240
Total $ 3,435.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Beverly J. Stott
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) JUN 28 1991 (Date)

EFFECTIVE DATE OF LEASE JUL 01 1991

(Continued on reverse)

FOR LESSEE

4 (a) Undersigned certifies that (1) offeror is a citizen of the United States, an association of U.S. citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territo[redacted] all parties holding an interest in the offer are in compl[redacted]3 CFR 3100 and the leasing authorities, (3) offeror's [redacted]ests, direct and indirect, in either public domain [redacted] lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LIBERTY PETROLEUM CORPORATION

Duly executed this 5th day of June, 19 91 By

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties - Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage - Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default. If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988 - 573 017/96009

WYW124636 2240.000 Acres
T.0330N, R.1110W, 06th PM, WY
sec. 011 E2;
012 ALL;
013 ALL;
014 E2;
035 W2;
Sublette County

(June 1988) [redacted] DEPARTMENT OF THE INTER[redacted]
BUREAU OF LAND MANAGEM[redacted]

U1232 | WYW[redacted]5137

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: WY-9108- 521 *Sale Date (m/d/y): 8 / 6 / 91

***SEE ITEM 1 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248307

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98046 PAGE 632
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3840.00 Total acres applied for 2560.00
Total $ 3915.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Jean Mackey
(Signing Officer)

for SUPERVISORY LAND LAW EXAMINER AUG 30 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE SEP 01 1991

(Continued on reverse)

FOR LESSEE

633

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens, a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of August, 19 91

LIBERTY PETROLEUM CORPORATION

By _____

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights of way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property. Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573-017/96009

[redacted] [redacted] W[redacted]25137

WYW125137 2560.000 Acres
T.0300N, R.1090W, 06th PM, WY
sec. 024 S2;
025 S2;
026 ALL;
027 ALL;
028 ALL;
Sublette County

635

(June 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

00183

Serial No.
WYW125138

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

Name Gregor Klurfeld
Street 200 West 58 Street, Suite 10-A
City, State, Zip Code New York, NY 10019

This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No. WY-9108- 523 *Sale Date (m/d/y): 8 / 6 / 91

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248308

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98046 PAGE 635
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00

Rental fee $ 2,707.50

Total acres applied for 1,804.50
Total $ 2,782.50

DO NOT WRITE BELOW THIS LINE

Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease 1804.15
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

X Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)
for SUPERVISORY LAND LAW EXAMINER (Title) AUG 30 1991 (Date)

EFFECTIVE DATE OF LEASE SEP 01 1991

(Continued on reverse)

FOR LESSEE

in either public domain [redacted] lands do not exceed 246,080 acres in Federal oil and [redacted] the same [redacted] not more than 200,000 acres [redacted] lessor option, or 300,000 acres in leases and 200 [redacted] options in either leasing District in Alaska; (4) offeror [redacted] a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 20th day of August, 19 91

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—673-017/96009

WYW125138 1804.150 Acres
T.031ON, R.109OW, 06th PM, WY
sec. 007 LOTS 1-12;
007 W2SE,SESE;
018 LOTS 1-12;
018 E2;
020 N2,SW,N2SE,SWSE;
029 LOTS 3,4,7;
Sublette County

[redacted]R TO LEASE AND LEASE FO[redacted]AND GAS

WY [redacted]5159

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 *et seq.*), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9108-524 *Sale Date (m/d/y): 8 / 6 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248309

RECORDED Sept. 9 1994 8:00 AM
IN BOOK 98 P76 PAGE 638
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

3. Amount remitted: Filing fee $ 75.00 Rental fee $ 3,535.50 Total acres applied for 2356.99
   Total $ 3,610.50

DO NOT WRITE BELOW THIS LINE

4. Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

5. Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

for SUPERVISORY LAND LAW EXAMINER (Title)

AUG 3 0 1991 (Date)

EFFECTIVE DATE OF LEASE SEP 0 1 1991

(Continued on reverse)

FOR LESSEE

639

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same Sta... which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

...ing authorities; (3) offeror's chargeable interests, direct and indirect ...) or a corporation organized under the laws of the United States or

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of August, 19 91

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/98009

WYW125139 2356.990 Acres
T.031ON, R.109OW, 06th PM, WY
sec. 019 LOTS 1-12;
019 E2;
029 W2NE,W2;
030 E2;
T.031ON, R.110OW, 06th PM, WY
sec. 024 E2;
025 ALL;
Sublette County

641

OFFER TO LEASE AND LEASE FOR OIL AND GAS

WYW125140

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9108-527 *Sale Date (m/d/y): 8 / 6 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248310

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 676 PAGE 641
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Salton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,690.00 Total acres applied for 2459.74
Total $ 3,765.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Jean Mackey
(Signing Officer)

FOR SUPERVISORY LAND LAW EXAMINER AUG 30 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE SEP 01 1991

(Continued on reverse)

FOR LESSEE

of any State or Territo[redacted] ll parties holding an interest in the offer are in compli[redacted] CFR 3100 and the leasing authorities; (3) offeror's cha[redacted]sts, direct and indirect in either public domain [redacted] rds do not exceed 246,080 acres in Federal oil and [redacted] the same State, of which not more than 200,000 acre[redacted]der option, or 300,000 acres in leases and 200,[redacted] options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of August, 19 91

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties. Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations. To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1988—873-016/95010

WYW125140 2459.740 Acres
T.0300N, R.1100W, 06th PM, WY
sec. 006 LOTS 1-7;
006 S2NE,SENW,E2SW,SE;
T.0310N, R.1100W, 06th PM, WY
sec. 030 LOTS 1-4;
030 E2,E2W2;
031 LOTS 1-4;
031 E2,E2W2;
032 ALL;
Sublette County

(June 1988) [redacted] DEPARTMENT OF THE INTE[redacted] BUREAU OF LAND MANAGE[redacted]

01260

WY [redacted] 25141

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

   Surface managing agency if other than BLM: _____ Unit/Project _____

   Legal description of land requested: *Parcel No.: WY-9108-531 *Sale Date (m/d/y): 8 / 6 / 91

   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248311

RECORDED Sept 8, 1994 8:00 A M
IN BOOK 98 Or 6 PAGE 644
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3840.00 Total acres applied for 2560.00
Total $ 3915.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Jean Mackey
(Signing Officer)

FOR SUPERVISORY LAND LAW EXAMINER AUG 30 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE SEP 01 1991

(Continued on reverse)

FOR LESSEE

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of August, 19 91

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors in interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988-573-017/96009

25141

WYW125141 2560.000 Acres
T.031ON, R.110OW, 06th PM, WY
sec. 012 S2;
013 ALL;
014 ALL;
023 ALL;
024 W2;
Sublette County

(June 1988)

647

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

01205

OFFER TO LEASE AND LEASE FOR OIL AND GAS

WYW125144

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS. ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: WY-9108- 537 *Sale Date (m/d/y): 8 / 6 / 91

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248312

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98046 PAGE 647
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Soxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,774.00

Total acres applied for 2515.52
Total $ 3,849.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Jean Mueller
(Signing Officer)

FOR SUPERVISORY LAND LAW EXAMINER AUG 30 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE SEP 01 1991

(Continued on reverse)

FOR LESSEE

of any State or Territory thereof. (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chain [redacted]s, direct and indirect in either public domain o[redacted]ds do not exceed 246,080 acres in Federal oil and ga[redacted]e State, of which not more than 200,000 acre[redacted]r option, or 300,000 acres in leases and 200,0[redacted]ons in either leasing District in Alaska; (4) offeror is [redacted]d a minor under the laws of the State in which the land[redacted]y this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of August, 19 91

(Signature of Lessee or Attorney in fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties.—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage.—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection.—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations.—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property.—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1988—673-016/95010

649

WYW125144

WYW125144 2515.520 Acres
T.031ON, R.111OW, 06th PM, WY
sec. 019 LOTS 1-3;
019 E2,E2W2;
028 ALL;
029 ALL;
030 LOTS 1-4;
030 E2,E2W2;
Sublette County

(June 1988) [redacted] DEPARTMENT OF THE INTERI[redacted] BUREAU OF LAND MANAGEM[redacted] U1238 WYW[redacted]5145

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 200 West 58 Street, Suite 10-A
   City, State, Zip Code New York, NY 10019

2. This application/offer/lease is for: *(Check only One)* ✓ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9108-538 *Sale Date (m/d/y): 8 / 6 / 91
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248313

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 Of6 PAGE 650
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2758.50 Total acres applied for 1838.24
Total $ 2833.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

✓ Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by Jean Mackey
(Signing Officer)

FOR SUPERVISORY LAND LAW EXAMINER AUG 30 1991
(Title) (Date)

EFFECTIVE DATE OF LEASE SEP 01 1991

(Continued on reverse)

FOR LESSEE

650

651

(a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of August, 19 91

LIBERTY PETROLEUM CORPORATION

By

Gregor Klurfeld, President

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property. Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease. As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises. At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest. Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988–573 017/96009

WYW125145 1838.740 Acres
T.031ON, R.111OW, 06th PM, WY
sec. 031 LOTS 1-4;
031 E2,E2W2;
032 N2,SW,N2SE,SWSE;
033 N2,N2SW,SESW,SE;
Sublette County

(June 1988)

653

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

UUCOO

WYW125638

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1 Name Liberty Petroleum Corporation
Street 200 West 58 Street, Suite 10-A
City, State, Zip Code New York, NY 10019

2 This application/offer/lease is for: *(Check only One)* ✓ PUBLIC DOMAIN LANDS [ ] ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested *Parcel No WY-9110-482 *Sale Date (m/d/y): 10 / 1 / 91

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248314

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 OTG PAGE 463
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted Filing fee $ 75.00 Rental fee $ 2274.00 Total acres applied for 1515.28
Total $ 3349.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____

Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

[X] Noncompetitive lease (ten years)

[ ] Competitive lease (five years)

[ ] Other _____

THE UNITED STATES OF AMERICA

by _____
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) OCT 29 1991 (Date)

EFFECTIVE DATE OF LEASE NOV 01 1991

(Continued on reverse)

FOR LESSEE

in either public domain [redacted] ds do not exceed 246,080 acres in Federal oil and ga [redacted] he same State, of which not more than 200,000 acres [redacted] t option, or 300,000 acres in leases and 200,0[redacted] ions in either leasing District in Alaska; (4) offeror is [redacted] d a minor under the laws of the State in which the land covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 2nd day of October, 19 91. By LIBERTY PETROLEUM CORPORATION

Gregor Klurfeld, President (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1988—673-016/95010

WYW125638 1515.280 Acres
T.0330N, R.1110W, 06th PM, WY
sec. 006 LOTS 7;
006 SESW;
007 LOTS 1-4;
007 E2W2;
018 LOTS 3,4;
018 E2SW;
019 LOTS 1-4;
019 E2W2;
030 LOTS 1-4;
030 E2W2;
031 LOTS 1,2;
031 E2NW,NESW,N2SE,SESE;
Sublette County

(June 1988) [redacted] UNITED STATES DEPARTMENT OF THE INTERI[redacted] BUREAU OF LAND MANAGEMEN[redacted]

Serial No. [redacted] WY9208-306

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Shama Zoe Limited Partnership (aka: Shama Kafar Limited Partnership)
   Street: 7128 S. Poplar Lane
   City, State, Zip Code: Englewood, CO 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY9208-306 *Sale Date (m/d/y): Aug / 4 / 92
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.
   T. 31N R. 110W Meridian 06th p.m. State Wyoming County Sublette
   Parcel No. WY9208-306 from competitive lease sale in August, 1992
   Sect 4: Lots 1, 2, 3, S½NE, SE/NW, E½/SW, SE
   Sect 9: NE, E½/NW, N½/SE, SE/SE
   Sect 15: W½/NW, E½/SW, S½/SE
   Sect 22: E½, E½/NW
   Sect 27: E½
   Sect 34: NE, E½/SE

248315

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Of 6 PAGE 656
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,057.00 Total acres applied for 2,037.36
Total $ 3,132.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SAME LAND DESCRIPTION AS ITEM 2

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RECEIVED
CHEYENNE, WYOMING
92 DEC 21 AM 11:34

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to icable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal rs hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

TE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or ination and those specified on this form.

4. and primary term of lease:

Noncompetitive lease (ten years)

ompetitive lease (five years)

ther _____

THE UNITED STATES OF AMERICA

by Pamela Jo Lewis
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER DEC 30 1992
(Title) (Date)

EFFECTIVE DATE OF LEASE JAN 01 1993

ORIGINAL

(Continued on reverse)

of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 18th day of December, 19 92

Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★U.S.GPO:1988-0-573-017/80032

(June 1985)

[redacted]
DEPARTMENT OF THE INTER[redacted]
BUREAU OF LAND MANAGEM[redacted]

W-[redacted]3799

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Zoe Limited Partnership (aka Shama Kafar Limited Partnership)
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood, CO 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. 30N R. 110W Meridian 06 P.M. State Wyoming County Sublette

Sect. 7: SE¼
Sect. 11: Lots 2,3,4, N½, W½ SW¼
Sect. 12: N½ N½
Sect. 13: Lot 1, S½ NW¼, NE¼ NW¼, NE¼, S½
Sect. 14: Lots 1,7, SE¼ SW¼, SE¼
Sect. 15: Lots 2,3
Sect. 20: N½ NE¼
Sect. 21: Lots 2,3,5, N½ NW¼
Sect. 22: SE¼ SE¼
Sect. 23: E½ NW¼, NE¼, S½
Sect. 27: Lot 3, SE¼ NW¼, NE¼ NE¼, S½ NE¼, S½
Sect. 28: Lots 6,7,8,9, S½ S½
Sect. 34: N½ N½, SE¼ NE¼

Amount remitted: Filing fee $ 75.00 Rental fee $ 5,176.50 Total acres applied for 3450.29
Total $ 5,251.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

SAME LAND DESCRIPTION AS ITEM 2

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CHEYENNE, WYOMING
93 MAR -2 AM 9:31
RECEIVED

248316

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 D 26 PAGE 658
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Total acres in lease 3530.29
Rental retained $ 5296.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

4. Lease and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER MAR 05 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE APR 01 1993

(continued on reverse)

FOR LESSEE

658

acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 1st day of March, 19 93. Lehman A. Hall
General Partner
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

Form 3100-11
(June 1988)

[redacted]

UNITED STATES
DEPARTMENT OF THE INTER[redacted]
BUREAU OF LAND MANAGEMENT

Serial No. [redacted] W-128801

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Zoe Limited Partnership (aka Shama Kafar Limited Partnership)
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood, CO 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.:_____ *Sale Date (m/d/y):____ / ____ / ____
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. 30N R. 111W Meridian 06 P.M. State Wyoming County Sublette

   Sect. 24: SW¼ NW¼, NW¼ SW¼
   Sect. 26: N½, N½ S½, SE¼ SE¼ = We did not get This
   Sect. 27: All
   Sect. 34: N½
   Sect. 35: N½, SE¼, NE¼ SW¼

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,120.00 Total acres applied for 2080
Total $ 3,195.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 30 N., R. 111 W., Meridian 06th PM State WY County Sublette

248317

Sec 24: SWNW, NWSW;
27: All;
34: N2;
35: N2, SE, NESW.

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98046 PAGE 1060
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
93 MAR -2 AM 9:32
RECEIVED
CHEYENNE, WYOMING

Total acres in lease 1560.00
Rental retained $ 2340.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

(Noncompetitive lease (ten years)

[ ] Competitive lease (five years)

[ ] Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner MAR 11 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE APR 01 1993

(Continued on reverse)

FOR LESSEE

660

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 1st day of March, 1993. Gilman A. Hill

General Partner (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. Government Printing Office: 1988—573-017/96009

(...r 1988)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

W-128818

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

Name: Shama Zoe Limited Partnership (aka: Shama Kafar Limited Partnership)
Street: 7128 S. Poplar Lane
City, State, Zip Code: Englewood, CO 80112

This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. 32 N R. 110W Meridian 06 P.M. State Wyoming County Sublette

Sect. 9: NW¼ SE¼, W½ NE¼

T. 32N R. 111W

Sect. 12: All

248318

RECORDED Sept 8 1994 8:00 A M
IN BOOK 98046 PAGE 662
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00*** Rental fee $ 1,140.00 Total acres applied for 760
Total $ 1,215.00

DO NOT WRITE BELOW THIS LINE

Land included in lease:

T. R. Meridian State County

SAME LAND DESCRIPTION AS ITEM 2

Total acres in lease _____
Rental retained $ _____

ease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build aintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to able laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal s hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

E: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nation and those specified on this form.

and primary term of lease:

ncompetitive lease (ten years)

mpetitive lease (five years)

er _____

THE UNITED STATES OF AMERICA

by Pamela J Lewis
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER
(Title)

MAR 2 3 1993
(Date)

EFFECTIVE DATE OF LEASE APR 0 1 1993

FOR [illegible]

ued on reverse)

662

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or [illegible] acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act, (6) offeror is in compliance with reclamation requirement for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 15 day of March, 19 93. Lisman A. Hall
General Partner
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★U.S.GPO:1988-0-573-017/86032

[redacted] TO LEASE AND LEASE FOR O[redacted] AND GAS

[redacted]

he undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

. Name: Shama Zoe Limited Partnership (aka: Shama Kafar Limited Partnership)
Street: 7128 S. Poplar Lane
City, State, Zip Code: Englewood, CO 80112

. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 1 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. 32N R. 110W Meridian 06 P.M. State Wyoming County Sublette

Sect. 24: W½ W½

Amount remitted: Filing fee $ 75.00 Rental fee $ 240.00 Total acres applied for 160
Total $ 315.00

DO NOT WRITE BELOW THIS LINE

Land included in lease:

T. R. Meridian State County

248319

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 046 PAGE 664
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Total acres in lease _____
Rental retained $ _____

s lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to licable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal ers hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

TE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or ination and those specified on this form.

e and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (five years)

Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title)

MAR 2 3 1993 (Date)

EFFECTIVE DATE OF LEASE APR 0 1 1993

tinued on reverse)

BOH ASSIGN

664

of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 15 day of March, 19 93. Edmund A. Hall

General Partner
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★ U.S.GPO:1988-0-573-017/86032

(June 1988)

DEPARTMENT OF THE INTERIOR [redacted]
BUREAU OF LAND MANAGEMENT [redacted]

WY-[redacted]373

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

Name: Shama Zoe Limited Partnership
Street: 7128 S. Poplar Lane
City, State, Zip Code: Englewood, CO 80112

This application/offer/lease is for: (Check only One) ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. 30N R. 111W Meridian 06 PM State Wyoming County Sublette

Sec. 26: S½ SW¼, SW¼ SE¼

Amount remitted: Filing fee $ 75.00 Rental fee $ 180.00 Total acres applied for 120
Total $ $225.00
255.00 PD

DO NOT WRITE BELOW THIS LINE

Land included in lease:

T. R. Meridian State County

93 APR 30 AM 9:00
RECEIVED
CHEYENNE, WYOMING
BUREAU OF LAND MANAGEMENT

248320

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Bk 6 PAGE 16616
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sarton

93 APR 26 AM 9:00
RECEIVED
CHEYENNE, WYOMING
BUREAU OF LAND MANAGEMENT

Total acres in lease _____
Rental retained $ _____

Lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Period and primary term of lease:

_____ noncompetitive lease (ten years)

_____ competitive lease (five years)

_____ other _____

THE UNITED STATES OF AMERICA

by James J. Lewis (Signing Officer)

CHIEF, BRANCH OF FLUID MINERALS (Title)

MAY 14 1993 (Date)

EFFECTIVE DATE OF LEASE JUN 01 1993

Continued on reverse

FOR LESSEE

667

in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 22 day of April, 19 93. Gilmore A. Hall

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★U.S.GPO:1988-0-573-017/86032

e 1988)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

W [redacted]428

OFFER TO LEASE AND LEASE FOR OIL AND GAS

undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 q.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

Name Shama Zoe Limited Partnership
Street 7128 S. Poplar Lane
City, State, Zip Code Englewood, Colorado 80112

This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.:_____ *Sale Date (m/d/y):____ / ____ / ____

*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. 32N R. 110W Meridian 06 P. M. State Wyoming County Sublette

Sec. 5: SW¼ SW¼

Amount remitted: Filing fee $ 75.00 *** Rental fee $ 60.00 Total acres applied for 40
Total $ 135.00

DO NOT WRITE BELOW THIS LINE

Land included in lease::

T. R. Meridian State County

248321
RECORDED Sept 8 1994 8:00A-M
IN BOOK 98 Q76 PAGE 668
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton
COUNTY CLERK

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
93 MAY 21 PM 12: 43
RECEIVED
CHEYENNE, WYOMING

Total acres in lease _____
Rental retained $ _____

Lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to ble laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or ation and those specified on this form.

nd primary term of lease:

competitive lease (ten years)

petitive lease (five years)

er _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

[redacted] JUN 04 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE JUL 01 1993

FOR LESSEE

668

(5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 20 day of May, 19 93 Gilman A. Hill

Gen. Partner (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on all surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized representative of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★U.S. GPO:1988-0-573-017/86032

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

Serial No.
W-129429

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Zoe Limited Partnership
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. 30N R. 110W Meridian 06 PM State Wyoming County Sublette

   Sec. 11: NE¼ SW¼, NW¼ SE¼

   Sec. 14: SE¼ NE¼

Amount remitted: Filing fee $ 75.00 Rental fee $ 180.00 Total acres applied for 120
Total $ 255.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

24832²

RECORDED Sept. 8, 1994 8:00 AM
IN BOOK 98 046 PAGE 670
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
93 MAY 21 PM 12:42
RECEIVED
CHEYENNE, WYOMING

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____ 670

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

[redacted] JUN 04 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE JUL 01 1993

671

(5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 20 day of May, 19 93. Gilman A. Hill
Gen. Partner
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

ec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the ht to establish reasonable minimum values on products after giving lessee notice and an portunity to be heard. When paid in value, royalties shall be due and payable on the last day the month following the month in which production occurred. When paid in kind, production ll be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises ere produced without cost to lessor. Lessee shall not be required to hold such production storage beyond the last day of the month following the month in which production occurred, shall lessee be held liable for loss or destruction of royalty oil or other products in storage m causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required that lease year shall be payable at the end of each lease year beginning on or after a discovery paying quantities. This minimum royalty may be waived, suspended, or reduced, and the ve royalty rates may be reduced, for all or portions of this lease if the Secretary determines such action is necessary to encourage the greatest ultimate recovery of the leased resources, s otherwise justified.

n interest charge shall be assessed on late royalty payments or underpayments in accordance the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). see shall be liable for royalty payments on oil and gas lost or wasted from a lease site when loss or waste is due to negligence on the part of the operator, or due to the failure to comply any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

3. Bonds—A bond shall be filed and maintained for lease operations as required under lations.

4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable ence in developing and producing, and shall prevent unnecessary damage to, loss of, or e of leased resources. Lessor reserves right to specify rates of development and production e public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 of notice, if deemed necessary for proper development and operation of area, field, or pool acing these leased lands. Lessee shall drill and produce wells necessary to protect leased from drainage or pay compensatory royalty for drainage in amount determined by lessor.

5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, ter than 30 days after effective date thereof, any contract or evidence of other arrangement e or disposal of production. At such times and in such form as lessor may prescribe, lessee urnish detailed statements showing amounts and quality of all products removed and sold, eds therefrom, and amount used for production purposes or unavoidably lost. Lessee may quired to provide plats and schematic diagrams showing development work and vements, and reports with respect to parties in interest, expenditures, and depreciation In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information l surveys and tests, and a record of subsurface investigations and furnish copies to lessor required. Lessee shall keep open at all reasonable times for inspection by any authorized of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, books, accounts, maps, and records relative to operations, surveys, or investigations the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting , and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★ U.S.GPO:1988-0-573-017/80032

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

Serial No.

W-129430

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Zoe Limited Partnership
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. 33N R. 112W Meridian 06 PM State Wyoming County Sublette

Sec. 35: N½ NE¼, SE¼ NE¼
Sec. 27: NE¼ NE¼
Sec. 26: ALL

248323

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Q46 PAGE 672
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton COUNTY CLERK

Amount remitted: Filing fee $ 75.00 Rental fee $ 1,200.00 Total acres applied for 800
Total $ 1,275.00

DO NOT WRITE BELOW THIS LINE

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RECEIVED
CHEYENNE, WYOMING
93 MAY 21 PM 12:42

3. Land included in lease:

T. R. Meridian State County

SAME LAND DESCRIPTION AS ITEM 2

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____ 672

THE UNITED STATES OF AMERICA

by Pamela J Lewis
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER — JUN 10 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE JUL 01 1993

(5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 20 day of May, 19 93. Gilman A. Hill, Gen. Partner

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

★U.S. GPO 1988-0-573-017/98032

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

02066

Serial No.
WYW129703

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 853 Broadway, Suite 1020
   City, State, Zip Code New York, NY 10003

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9306-497 *Sale Date (m/d/y): 6 / 1 / 93
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248324

RECORDED Sept. 8, 1994 8:00A M
IN BOOK 98 046 PAGE 674
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ 75.00 Rental fee $ 2880.00 Total acres applied for 1920.00
Total $ 2955.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County ***

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER
(Title)

JUL 02 1993
(Date)

EFFECTIVE DATE OF LEASE AUG 01 1993

(Continued on reverse)

674

FOR LESSEE

4 (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of [illegible] municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect in either public domain or acquired lands do not exceed 246,080 acres in Federal oil and gas leases in the same State, of which not more than 200,000 acres are held under option, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 2nd day of June, 19 93

LIBERTY PETROLEUM CORPORATION

By Gregor Klurfeld, President (Signature of Lessee or Attorney-in fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties. Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage.—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection.—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessor shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity.—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease.—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises.—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest.—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE 1988—673-016/95010

[redacted] [redacted] [redacted]

WYW129703 1920.000 Acres
T.0330N, R.1110W, 06th PM, WY
sec. 011 E2;
012 ALL;
013 ALL;
014 E2;
Sublette County

677

Form 3100-11
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

022067

Serial No.
WYW129704

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Liberty Petroleum Corporation
   Street 853 Broadway, Suite 1020
   City, State, Zip Code New York, NY 10003

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9306-428 *Sale Date (m/d/y): 6 / 1 / 93
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T.	R.	Meridian	State	County

248325
248325

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 Dw6 PAGE 677
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sorkon

Amount remitted: Filing fee $ 75.00 Rental fee $ 960.00 Total acres applied for 640.00
Total $ 1035.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (five years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER
(Title)

JUL 09 1993
(Date)

EFFECTIVE DATE OF LEASE AUG 01 1993

[redacted]

4. (a) Undersigned [redacted] offeror is a citizen of the United States; an associati[redacted]ens, a municipality; or a corporation organized under [redacted] United States or of any State or Terri[redacted] parties holding an interest in the offer are in compli[redacted] 3100 and the leasing authorities; (3) offeror's char[redacted] direct and indirect in either public doma[redacted]ds do not exceed 246,080 acres in Federal oil and g[redacted] same State, of which not more than 200,000 acres a[redacted]option, or 300,000 acres in leases and 200[redacted] acres in options in either leasing District in Alaska; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 2nd day of June, 19 93.

LIBERTY PETROLEUM CORPORATION

By: Gregor Klurfeld, President
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for primary term; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1988—673-016/95010

WYW129704 640.000 Acres
T.0340N, R.1110W, 06th PM, WY
sec. 013 S2;
024 N2;
Sublette County

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW130233

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoo Ltd Ptnshp
   Street 7128 S Poplar Ln
   City, State, Zip Code Englewood, CO 80112

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. R. Meridian State County

248326

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 076 PAGE 680
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 0300N R. 1090W 06th Meridian WY State Sublette County
Sec. 011 SW;

Total acres in lease 160.000
Rental retained $ 240.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____
(Signing Officer)

Supervisory Land Law Examiner (Title)

AUG 27 1993 (Date)

EFFECTIVE DATE OF LEASE SEP 01 1993

680

FOR LESSEE

public domain and acquired lands separately in the same State do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 1st day of June, 19 93. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

Form 3109-11
June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

OFFER TO LEASE AND LEASE FOR OIL AND GAS 00136

WYW130319

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Zoe Limited Partnership (AKA Shama Kafar Limited Partnership)
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood,Colorado, 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No. WY 9308-427 *Sale Date (m/d/y): 8 / 3 / 93
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. 31N R. 111W Meridian 06 PM State WYOMING County SUBLETTE

Sec. 3 NESE;
Sec. 12 NWNE;

248327

RECORDED Sept. 8, 1994 8:00AM
IN BOOK 98 Misc PAGE 682
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 120.00 Total acres applied for 80
Total $ 195.00

DO NOT WRITE BELOW THIS LINE

Land included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

4. Type and primary term of lease:
   / Noncompetitive lease (ten years)
   Competitive lease (five years)
   *Other 682

THE UNITED STATES OF AMERICA

By _____ (Signing Officer)
SUPERVISORY LAND LAW EXAMINER SEP 08 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE OCT 01 1993

leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 2 day of August, 19 93. Lehman A. Hall

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

*U.S. GPO: 1992-774-017/67034

WYW130319 80.000 Acres
T.031ON, R.111OW, 06th PM, WY
sec. 003 NESE;
012 NWNE;
Sublette County

685

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW130732

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: High Plains Assoc
   Street: 1600 Broadway #1565
   City, State, Zip Code: Denver, CO 80202

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

248328

RECORDED Sept. 8, 1994 8:00 A M
IN BOOK 98 Pg 6 PAGE 685
FEES 8.00 SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 0300N R. 1100W 06th Meridian WY State Sublette County

sec. 019 LOTS 1-4;
019 N2NE,E2W2;
028 LOTS 5;
029 LOTS 1-6;
029 E2SW,SE;
030 LOTS 3,4,10,11;
030 NENW;

Total acres in lease 965.790
Rental retained $ 1949.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner NOV 01 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE DEC 01 1993

(Continued on reverse)

FOR LESSEE

public domain and acq[redacted] ...ively in the same State do not exceed 246,080 acres [redacted] ...leases (of which up to 200,000 acres may be in oil a[redacted] ...300,000 acres in leases in each leasing [redacted] ...f which up to 200,000 acres may be in options, (4) [redacted] ...switched a minor under the laws of the State in whic[redacted] ...ed by this offer are located; (5) offeror is [redacted] ...qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 13th **day of** December, **19** 93 Joseph S. Pederson

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

687

BUREAU OF LAND MANAGEMENT

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: High Plains Assoc
   Street: 1600 Broadway #1565
   City, State, Zip Code: Denver, CO 80202

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248329

RECORDED Sept 8, 1993 8:00 AM
IN BOOK 98 Misc PAGE 687
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Soxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 0300N R. 111W 06th Meridian WY State Sublette County

sec. 006 LOTS 5-7;
006 S2NE,SENW,E2SW,SE;
007 LOTS 1,2;
007 NE,E2NW;
008 ALL;

Total acres in lease 1432.000

Rental retained $ 2158.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner NOV 01 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE DEC 01 1993

(Continued on reverse)

FOR LESSEE

public domain and acq[redacted]ately in the same State do not exceed 246,080 acres [redacted] leases (of which up to 200,000 acres may be in oil a[redacted] or 300,000 acres in leases in each leasing [redacted] which up to 200,000 acres may be in options, (4) [redacted] owns[redacted] controlled a minor under the laws of the State in whic[redacted] ed by this offer are located; (5) offeror is [redacted] qualifications concerning Federal coal lease holdings pursuant to sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 17th day of December, 19 93. Janet S. Robins

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

689

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW130736

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name High Plains Assoc
   Street 1600 Broadway #1565
   City, State, Zip Code Denver, CO 80202

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248330

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Misc PAGE 689
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 031ON R. 111OW 06th Meridian WY State Sublette County

sec. 003 LOTS 1-4;
003 S2N2,SW,N½SE,S2SE;
004 LOTS 1-4;
004 S2N2,S2;
005 LOTS 1-4;
005 S2N2,S2;
008 ALL;

Total acres in lease 2522.640
Rental retained $ 3784.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☒ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner NOV 01 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE DEC 01 1993

(Continued on reverse)

FOR LESSEE

[redacted] which up to 200,000 acres may be in options; (4) [redacted] qualifications concerning Federal coal lease holding[redacted] sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror [redacted] with reclamation requirements for all Fed[redacted] lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 13th day of December, 19 93. Janet S. Robins

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

691

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW130737

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name High Plains Assoc
   Street 1600 Broadway #1565
   City, State, Zip Code Denver, CO 80202

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

248331

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Misc PAGE 691
FEES 8.00 Mary [illegible] COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ ***

Rental fee $ _____

Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 031ON R. 111OW 06th Meridian WY State Sublette County

sec. 009 W2NE,SENE,NW,S2;
sec. 010 N2,SE;
sec. 027 ALL;

Total acres in lease 1720.000

Rental retained $ 2560.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☒ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner — NOV 01 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE DEC 01 1993

(Continued on reverse)

FOR LESSEE

leases in each leasing [redacted] of which up to 200,000 acres may be in options, (4) [redacted] considered a minor under the laws of the State in which [redacted] ted by this offer are located; (5) offeror is [redacted] qualifications concerning Federal coal lease holdings [redacted] sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal and [illegible] lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 13th day of December, 19 93 Janet S. Robeind

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection--Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations - Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations - To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

693

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW130738

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name High Plains Assoc
   Street 1600 Broadway #1565
   City, State, Zip Code Denver, CO 80202

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248332

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 D46 PAGE 193
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ ** Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 031ON R. 111OW 06th Meridian WY State Sublette County
Sec. 034 ALL;
035 ALL;

Total acres in lease 1280.000
Rental retained $ 1920.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner NOV 01 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE DEC 01 1993

(Continued on reverse)

FOR LESSEE

public domain and acquired [redacted] solely in the same State do not exceed 246,080 acres in [redacted] leases (of which up to 200,000 acres may be in oil [redacted] or 300,000 acres in leases in each leasing [redacted] of which up to 200,000 acres may be in options, (4) of [redacted] considered a minor under the laws of the State in which [redacted] ed by this offer are located; (5) offeror is in [redacted] with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 13th **day of** December, **19** 93. Janet S. Rodeine

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

695

Form 3100-11
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

00099

Serial No. WYW130840

64

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Gregor Klurfeld
   Street 853 Broadway, Suite 1020
   City, State, Zip Code New York, NY 10003

2. This application/offer/lease is for: *(Check only One)* ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: WY-9310-437 *Sale Date (m/d/y): 10 / 5 / 93
   *SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.	R.	Meridian	State	County

248333

RECORDED Sept 8, 1994 8:20 AM
IN BOOK 98046 PAGE 695
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ 75.00 Rental fee $ 3,216.00 Total acres applied for 2143.31
Total $ 3,291.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.	R.	Meridian	State	County

SEE ATTACHED

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RECEIVED
CHEYENNE, WYOMING
93 OCT -6 AM 9:00

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☑ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Terence C. Spelts
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) NOV 02 1993 (Date)

EFFECTIVE DATE OF LEASE DEC 01 1993

...tate or Territory thereof; (2) all persons holding an interest in the offer [illegible] publie domain and acq[illegible]urately in the same State do not exceed 246,080 acr[illegible]as leases (of which up to 200,000 acres may be in op[illegible]ns), or 300,000 acres in leases in each leasing [illegible]ka of which up to 200,000 acres may be in options, (4[illegible]ot considered a minor under the laws of the State in wh[illegible] covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 6th day of October, 19 93.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

WYW130840 2143.310 Acres
T.0340N, R.1100W, 06th PM, WY
sec. 007 LOTS 1,2;
007 NE,E2NW;
008 S2N2;
017 N2N2;
018 E2;
020 ALL;
021 W2;
029 NE,N2NW;
Sublette County

(July 1992)

[redacted] BUREAU OF LAND MANAGEMEN[redacted] 00034 WY[redacted]0841

OFFER TO LEASE AND LEASE FOR OIL AND GAS

...ndersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 ...), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

...lame Shama Zoe Limited Partnership (aka Shama Kafar Limited Partnership)
...treet 7128 S. Poplar Lane
...City, State, Zip Code Englewood, Colorado 80112

Future rental payments must be made on or before the anniversary date to: Minerals Management Service Royalty Management Program P.O. Box 5640 Denver, CO 80217

This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (...ercent U.S. interest _____)

...urface managing agency if other than BLM: _____ Contract _____

...egal description of land requested: *Parcel No. WY-9310-444 *Sale Date (m/d/y): 10 / 05 / 93

SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

...T. 033ON R. 111OW Meridian 06th State Wyoming County Sublette

sec. 001 LOTS 1, 2;
001 S2NE, SE;

248334

RECORDED Sept 8 19 94 8:00 AM
IN BOOK 98 Of6 PAGE 698
FEES 10.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

...mount remitted: Filing fee $ 75.00 ** Rental fee $ 480.00 Total acres applied for 320.00
Total $ 555.00

DO NOT WRITE BELOW THIS LINE

...and included in lease:

T. R. Meridian State County

SEE ATTACHED

Total acres in lease _____
Rental retained $ _____

...ase is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 2 together with the right to build ...intain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to ...cle laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal ...hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

...: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or ...ation and those specified on this form.

...nd primary term of lease:

...competitive lease (ten years)

...petitive lease (ten years)

...r _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

SUPERVISORY LAND LAW EXAMINER (Title) NOV 02 1993 (Date)

EFFECTIVE DATE OF LEASE DEC 01 1993

FOR LESSEE

698

699

leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 5 day of October, 19 93. Luther A. Hall

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1719).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

*U.S. GPO: 1992-774-017, 67034

[redacted] [redacted] [redacted]

WYW130841 319.880 Acres
T.033ON, R.111OW, 06th PM, WY
sec. 001 LOTS 1,2;
001 S2NE,SE;
Sublette County

Form 3100-11
(October 1992)

701

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.
W-131100

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name SHAMA ZOE LIMITED PARTNERSHIP (aka Shama Kafar Limited Partnership)
   Street 7128 S. Poplar Lane
   City, State, Zip Code Englewood, Colorado 80112

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)
   Surface managing agency if other than BLM: _____ Unit/Project _____
   Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____
   ***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
   T. 29N R. 111W Meridian 06th State Wyoming County Sublette

   Sec. 03 Lots 17,18;
   04 Lot 10;
   09 SESE;
   15 W2;
   23 NE;
   25 NWNW;
   26 ALL;
   27 NE, NENW;
   34 SE, E2NE;
   Sec. 35 ALL;

   Future rental payments must be made on or before the anniversary date to:
   Minerals Management Service
   Royalty Management Program
   P.O. Box 5640
   Denver, CO 80217

   Amount remitted: Filing fee $ 75.00 Rental fee $ 3,607.50 Total acres applied for 2,404.91
   Total $ 3,682.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

248335

RECORDED Sept 8 19 94 8:00 AM
IN BOOK 98046 PAGE 701
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

SAME LAND DESCRIPTION AS ITEM 2

Total acres in lease _____
Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☒ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

SUPERVISORY LAND LAW EXAMINER DEC 28 1993
(Title) (Date)

EFFECTIVE DATE OF LEASE JAN 01 1994

FOR LESSEE

(Continued on reverse)

...late or Territory thereof; (2) oil [illegible] ...lding an interest in the offer are in compliance with [illegible] and the leasing authorities; (3) offeror's chargeable [illegible] and indirect, in each ...ublic domain and acquired [redacted] ...ely in the same State, do not exceed 246,080 acres in [redacted] leases (of which up to 200,000 acres may be in oil an[redacted]), or 300,000 acres in ...ases in each leasing Distri[redacted] ...f which up to 200,000 acres may be in options, (4) off[redacted] ...onsidered a minor under the laws of the State in which the lands covered by this offer are ...cated; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation ...quirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment ...r separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer ...annot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers ...s land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required ...ayments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements ...r representations as to any matter within its jurisdiction.

...uly executed this 3 day of December, 19 93. Gilman A. Hill
Kenneth Parking (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

...ec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. ...nnual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
...specified in regulations at the time this lease is issued.

...If this lease or a portion thereof is committed to an approved cooperative or unit plan which ...cludes a well capable of producing leased resources, and the plan contains a provision for ...location of production, royalties shall be paid on the production allocated to this lease. However, ...nnual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands ...ot within a participating area.

...Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next ...fficial working day if office is closed) shall automatically terminate this lease by operation of ...w. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing ...lessee.

...ec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed ...accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
...specified in regulations at the time this lease is issued.

...Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the ...ght to establish reasonable minimum values on products after giving lessee notice and an ...portunity to be heard. When paid in value, royalties shall be due and payable on the last day ...the month following the month in which production occurred. When paid in kind, production ...ll be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises ...ere produced without cost to lessor. Lessee shall not be required to hold such production ...storage beyond the last day of the month following the month in which production occurred, ...shall lessee be held liable for loss or destruction of royalty oil or other products in storage ...m causes beyond the reasonable control of lessee.

...Minimum royalty in lieu of rental of not less than the rental which otherwise would be required ...that lease year shall be payable at the end of each lease year beginning on or after a discovery ...paying quantities. This minimum royalty may be waived, suspended, or reduced, and the ...ve royalty rates may be reduced, for all or portions of this lease if the Secretary determines ...such action is necessary to encourage the greatest ultimate recovery of the leased resources, ...is otherwise justified.

...An interest charge shall be assessed on late royalty payments or underpayments in accordance ...the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). ...see shall be liable for royalty payments on oil and gas lost or wasted from a lease site when ...loss or waste is due to negligence on the part of the operator, or due to the failure to comply ...any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

...3. Bonds—A bond shall be filed and maintained for lease operations as required under ...ulations.

...4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable ...gence in developing and producing, and shall prevent unnecessary damage to, loss of, or ...te of leased resources. Lessor reserves right to specify rates of development and production ...he public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 ...s of notice, if deemed necessary for proper development and operation of area, field, or pool ...racing these leased lands. Lessee shall drill and produce wells necessary to protect leased ...s from drainage or pay compensatory royalty for drainage in amount determined by lessor.

...5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, ...ater than 30 days after effective date thereof, any contract or evidence of other arrangement ...ale or disposal of production. At such times and in such form as lessor may prescribe, lessee ...furnish detailed statements showing amounts and quality of all products removed and sold, ...eeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may ...required to provide plats and schematic diagrams showing development work and ...ovements, and reports with respect to parties in interest, expenditures, and depreciation ... In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information ...ell surveys and tests, and a record of subsurface investigations and furnish copies to lessor ...required. Lessee shall keep open at all reasonable times for inspection by any authorized ...r of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, ...ll books, accounts, maps, and records relative to operations, surveys, or investigations ...in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting ...ds, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

*U.S. GPO: 1992-774-017/87034

703

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Shama Zoe LP
   Street: 7128 S Poplar Lane
   City, State, Zip Code: Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X PUBLIC DOMAIN LANDS. ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248336

RECORDED Sept 8 1994 8:00AM
IN BOOK 98 Misc PAGE 703
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ ... Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 0300N R. 1090W 06th Meridian WY State Sublette County

soc. 003 LOTS 1;
003 SENE,SESE;
025 N2;

Total acres in lease 440.260
Rental retained $ 661.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X
☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis
(Signing Officer)

Supervisory Land Law Examiner (Title) MAR 08 1994 (Date)

EFFECTIVE DATE OF LEASE APR 01 1994

(Continued on reverse)

FOR LESSEE

public domain and acqui[redacted]antely in the same State do not exceed 246,080 acres i[redacted]s leases (of which up to 200,000 acres may be in oil and [redacted], or 300,000 acres in leases in each leasing Di[redacted]t of which up to 200,000 acres may be in options, (4) o[redacted] considered a minor under the laws of the State in which [redacted]ered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 1st day of February, 19 94.

Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the ti[redacted]lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

705

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW131911

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shama Zoe LP
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

248337

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 876 PAGE 705
FEES 8.00 _____ COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ ***

Rental fee $ _____

Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 031ON R. 110OW 06th Meridian WY State Sublette County

sec. 001 LOTS 1-4;
001 S2N2;
002 LOTS 1-4;
002 S2N2;
003 LOTS 1-4;
003 S2N2;

Total acres in lease 955.200 1434.00

Rental retained $ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by Pamela J. Lewis

Supervisory Land Law Examiner (Signing Officer) (Title)

MAR 08 1994 (Date)

EFFECTIVE DATE OF LEASE APR 01 1994

(Continued on reverse)

FOR LESSEE

public domain and acqui[redacted]rately in the same State do not exceed 246,080 acres i[redacted] leases (of which up to 200,000 acres may be in oil and [redacted] or 300,000 acres in leases in each leasing Dis[redacted]n of which up to 200,000 acres may be in options, (4) of [redacted] considered a minor under the laws of the State in which [redacted]ered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 1st **day of** February, **19** 94 Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

707

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133083

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoe Ltd Ptnrs.
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248338

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 Q46 PAGE 707
FEES 8.00 Mary COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 032ON R. 110OW 06th Meridian WY State Sublette County
sec. 025 SWSW;

Total acres in lease 40.000
Rental retained $ 60.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title) JUL 07 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

public domain and acqui[redacted]parately in the same State do not exceed 246,080 acres in [redacted] leases (of which up to 200,000 acres may be in oil and [redacted]), or 300,000 acres in leases in each leasing Di[redacted]a of which up to 200,000 acres may be in options, (4) o[redacted] considered a minor under the laws of the State in which [redacted]vered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of June, 19 94. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

709

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133084

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoe Ltd Ptnrs
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No. _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

248339

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98046 PAGE 709
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 033N R. 110W 06th Meridian WY State Sublette County
sec. 021 W2W2;
028 W2NW,SW;
033 SWNE,N2NW,SWNW,W2SW,W2SE;

Total acres in lease 720.000
Rental retained $ 1080.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title) JUL 07 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

public domain and acquired lands separately in the same State do not exceed 246,080 acres [illegible] gas leases (of which up to 200,000 acres may be in oil [illegible]s), or 300,000 acres in leases in each leasing [illegible]ska of which up to 200,000 acres may be in options, (4) [illegible] considered a minor under the laws of the State in whic[illegible]overed by this offer are located; (5) offeror is [illegible] with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of June, 19 94. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease. $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

711

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133085

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name: Shana Zoe Ltd Ptnrs
   Street: 7128 S Poplar Lane
   City, State, Zip Code: Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

248340

RECORDED Sept. 8, 19 94 8:00 A M
IN BOOK 98 PAGE 711
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ *** Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 110W 06th Meridian WY State Sublette County

sec. 001 NWSE;
008 N2NW;
009 SWNW;

Total acres in lease 160.000
Rental retained $ 240.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title) JUL 07 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

public domain and acq[redacted] parately in the same State do not exceed 246,080 acres [redacted]as leases (of which up to 200,000 acres may be in oil a[redacted]s), or 300,000 acres in leases in each leasing [redacted]ska of which up to 200,000 acres may be in options, (4) [redacted]t considered a minor under the laws of the State in whic[redacted]overed by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of June, 19 94. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

713

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133086

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoe Ltd Ptnrs
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248341

RECORDED Sept. 8, 1994 8:00A M
IN BOOK 980 PAGE 713
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton
COUNTY CLERK

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 110W 06th Meridian WY State Sublette County

sec. 004 LOTS 4;
004 W2NE OF LOT 2;
005 LOTS 1,2;

Total acres in lease 116.520
Rental retained $ 175.50

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title) JUL 13 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

State or territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable [redacted]ect and indirect, in each public domain and ac[redacted]parately in the same State do not exceed 246,080 acre[redacted]as leases (of which up to 200,000 acres may be in oil [redacted]ns), or 300,000 acres in leases in each leasing [redacted]aska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of June, 19 94

Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

715

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133087

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoe Ltd Ptnrs
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* ☒ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. _____ R. _____ Meridian _____ State _____ County _____

248342

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 pt6 PAGE 715
FEES 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ _____ Rental fee $ _____

Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 110W 06th Meridian WY State Sublette County
sec. 008 S2;
034ON 111W 06th WY
sec. 011 N2;
012 S2;
013 N2;

Total acres in lease 1280.000
Rental retained $ 1920.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☒ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title) JUL 07 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

[illegible] holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable [illegible] direct and indirect, in each public domain and ac[illegible] parately in the same State do not exceed 246,080 acre[illegible] gas leases (of which up to 200,000 acres may be in oil [illegible]s), or 300,000 acres in leases in each leasing [illegible]aska of which up to 200,000 acres may be in options, (4) [illegible] not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of June, 19 94. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

717

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133088

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoe Ltd Ptnrs
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. _____ R. _____ Meridian _____ State _____ County _____

248343

RECORDED Sept 8, 1994 8:00 AM
IN BOOK 98 PAGE 717
FEES 8.00
COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Saxton

Amount remitted: Filing fee $ ---

Rental fee $ _____

Total acres applied for _____

Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 110W 06th Meridian WY State Sublette County

Sec. 017 S2;
019 E2;

Total acres in lease 640.000

Rental retained $ 960.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title)

JUL 07 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

FOR LESSEE

(Continued on reverse)

public domain and a[redacted] purately in the same State do not exceed 246,080 acre[redacted]s leases (of which up to 200,000 acres may be in oil [redacted]s), or 300,000 acres in leases in each leasing [redacted]ska of which up to 200,000 acres may be in options, (4) [redacted]ot considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of June, 19 94

Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

719

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133089

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoe Ltd Ptnrs
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248349

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 Dtd PAGE 719
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Sexton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 034ON R. 110OW 06th Meridian WY State Sublette County

sec. 018 LOTS 1-4;
019 LOTS 1-4;
030 LOTS 1;
030 N2NE,NENW;

Total acres in lease 411.800
Rental retained $ 513.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

☒ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title) JUL 07 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

public domain and acquired separately in the same State do not exceed 246,080 acres [redacted] leases (of which up to 200,000 acres may be in oil a[redacted]es), or 300,000 acres in leases in each leasing [redacted]ka of which up to 200,000 acres may be in options, (4) [redacted] considered a minor under the laws of the State in whi[redacted]overed by this offer are located; (5) offeror is [redacted] with qualifications concerning Federal coal lease holdings [redacted] in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th **day of** June, **19** 94. Gilman A. Hill

(Signature of Lessee or Attorney-in-fact)

Gilman A. Hill, General Partner

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

721

Form 3100-11b
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. WYW133092

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned *(reverse)* offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Shana Zoe Ltd Ptnrs
   Street 7128 S Poplar Lane
   City, State, Zip Code Englewood, CO 80112

Future rental payments must be made on or before the anniversary date to:
Minerals Management Service
Royalty Management Program
P.O. Box 5640
Denver, CO 80217

2. This application/offer/lease is for: *(Check only One)* X ☐ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: *Parcel No.: _____ *Sale Date (m/d/y): ____ / ____ / ____

***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**

T. R. Meridian State County

248345

RECORDED Sept 8, 1994 8:00AM
IN BOOK 98 Opt 6 PAGE 721
FEES 8.00 COUNTY CLERK
SUBLETTE COUNTY CLERK
By Cathy Soxton

Amount remitted: Filing fee $ _____ Rental fee $ _____ Total acres applied for _____
Total $ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 035ON R. 111OW 06th Meridian WY State Sublette County

Sec. 012 SW,W2SE;
013 ALL;
014 ALL;
023 N2N2;

Total acres in lease 1660.000
Rental retained $ 2520.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas *(except helium)* in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

☐ Noncompetitive lease (ten years)

X ☐ Competitive lease (ten years)

☐ Other _____

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Supervisory Land Law Examiner (Title) JUL 12 1994 (Date)

EFFECTIVE DATE OF LEASE AUG 01 1994

(Continued on reverse)

FOR LESSEE

public domain and ac[redacted] rately in the same State do not exceed 246,080 acre[redacted]s leases (of which up to 200,000 acres may be in oil [redacted]s), or 300,000 acres in leases in each leasing [redacted]ka of which up to 200,000 acres may be in options, (4) [redacted]t considered a minor under the laws of the State in wh[redacted]overed by this offer are located; (5) offeror is [redacted] with qualifications concerning Federal coal lease holdi[redacted]ed in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 7th day of June, 19 94.

Gilman A. Hill, General Partner
(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12½%;
(b) Competitive lease, 12½%;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.